



4 Top Canadian Dividend Stocks to Buy Under \$20

Description

Amid a low-interest environment, the yields on debt instruments have become unattractive. So, investing in dividend stocks is a convenient and cost-effective means to earn passive income. Further, it does not require huge capital upfront. Let's look at four Canadian stocks trading under \$20 that pay dividends at healthier yields.

Pizza Pizza

My first pick would be **Pizza Pizza Royalty** ([TSX:PZA](#)). It operates Pizza Pizza and Pizza 73 brand restaurants through franchises. The company's revenue is based on its franchisees' sales and not on their profits, thus delivering stable revenue and cash flows. These stable cash flows have allowed the company to pay dividends at a higher yield. It currently pays monthly dividends of \$0.055 per share, representing an attractive forward dividend yield of 6.4%.

Meanwhile, the company's investment in expanding its digital channels and the implementation of contactless pick-up and delivery transactions have resonated well with its customers. These investments could also support its growth even in the post-pandemic world. Further, the widening of vaccinations could prompt governments to lift restrictions, allowing Pizza Pizza to operate its restaurant at full capacity, boosting its financials.

NorthWest Healthcare

Second on my list would be **NorthWest Healthcare Properties REIT** ([TSX:NWH.UN](#)), which acquires and manages healthcare properties across various countries. The company enjoys high occupancy and collection rate, thanks to its highly defensive and diversified portfolio. Meanwhile, most of its clients have signed long-term contracts, with an [average lease-life of 14.5 years](#).

Further, most of its tenants receive government funding, while 73% of its rent is inflation adjusted, which is encouraging. The company is focusing on acquiring new properties in Europe and Australia. Meanwhile, it has recently raised \$220 million through new equity offerings, which could support its

expansion plans. Given its steady cash flows and healthy growth prospects, [I believe the company's dividends are safe](#). The company currently pays monthly dividends, with its forward dividend yield standing at 6.1%.

Freehold Royalties

My third pick would be **Freehold Royalties** ([TSX:FRU](#)), which focuses on acquiring and managing oil and natural gas royalties. It currently owns around 6.3 million gross acres, spanning five provinces and eight states. Last year was tough for the company, as weak oil prices and lower production weighed on its financials and stock price.

However, the improvement in oil prices and higher production could drive its revenue and cash flows this year. Since the beginning of this year, the company has acquired three U.S. royalty properties, which could boost its royalty production. For 2021, the company's management expects its average royalty production range to be between 10,500 and 11,000 boe/d, representing a significant improvement from 9,563 boe/d last year. Amid the expectation of improvement in its financials, its management had raised its monthly dividends to \$0.03 per share, representing a forward dividend yield of 4.8%.

Savaria

My final pick would be **Savaria** ([TSX:SIS](#)), which produces and sells accessibility solutions across the world. Despite the pandemic, the company delivered an impressive 2020 performance, with its adjusted EBITDA rising by 7.5% to \$59.8 million. Meanwhile, the demand for its products could increase in the coming years amid the growing senior population.

Further, last month, the company completed Handicare Group's acquisition, which sells its products across 40 countries. The acquisition, along with organic growth, could drive the company's financials. The company's management hopes to report an adjusted EBITDA of over \$100 million in 2021. So, the company's growth prospects look healthy. Besides, the company pays monthly dividends of \$0.04 per month, with its forward dividend yield standing at 2.75%.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. TSX:FRU (Freehold Royalties Ltd.)
2. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
3. TSX:PZA (Pizza Pizza Royalty Corp.)
4. TSX:SIS (Savaria Corporation)

PARTNER-FEEDS

1. Business Insider

2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Dividend Stocks
2. Energy Stocks
3. Investing

Date

2025/08/25

Date Created

2021/04/14

Author

manjapla

default watermark

default watermark