



4 High-Yielding Canadian Dividend Stocks to Buy in April

Description

Investing in high-yielding dividend stocks is a convenient and most accessible means to earn passive income in this low-interest environment. Further, investors could also benefit from stock appreciation. Here are four Canadian companies that are fundamentally strong and pay dividends at a healthier yield of over 6%.

Keyera

My first pick would be **Keyera** ([TSX:KEY](#)), a midstream energy infrastructure company, which services oil and gas producers in Western Canada. The company generates around 70% of its cash flows from fee-for-service and take-or-pay contracts, providing financial stability. Supported by these steady cash flows, [Keyera has increased its dividends](#) at an annualized rate of 7% since 2008.

Meanwhile, Keyera pays monthly dividends of \$0.16 per share, representing a forward dividend yield of 7.4%. Amid the recovery in demand and economic expansion, oil demand could rise, driving its earnings and cash flows. Further, the company has planned to construct the KAPS pipeline system over the next three years at an estimated cost of \$1.3 billion, providing a long-term growth potential. Its financial position also looks strong, with its liquidity standing at \$1.2 billion. So, the company's dividends are safe.

Enbridge

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)), which has paid dividends for the last 66 years, is my second pick. It earns around 98% of its adjusted EBITDA from regulated assets and long-term contracts, delivering stable cash flows. These stable cash flows have allowed the company to raise its dividends for 26 consecutive years at a compound annual growth rate (CAGR) of 10%. The company's management has announced dividends of \$3.34 per share for this year, representing a forward dividend yield of 7.2%.

Meanwhile, the company is progressing with around \$16 billion secured growth projects, with \$10

billion worth of projects expected to put into service this year. These investments could drive the company's DCF per share growth of 5-7% through 2023. With liquidity of \$13 billion, the company's financial position also looks healthy. So, [Enbridge could be an excellent buy for income-seeking investors](#).

Pembina Pipeline

My third pick would be **Pembina Pipeline** ([TSX:PPL](#))([NYSE:PBA](#)), which had delivered impressive numbers over the previous 10 years, with its adjusted EBITDA per share and ACF per share growing at 12.2% and 9.8%, respectively. The company earns above 90% of its adjusted EBITDA from fee-based or take-or-pay contracts, which delivers predictable and expected cash flows. Supported by these stable cash flows, the company has raised its dividends at a CAGR of 4.9% over the last 10 years.

Meanwhile, Pembina Pipeline currently pays monthly dividends of \$0.21 per share, with a forward dividend yield of 6.8%. This year, the company expects to make a capital investment of \$785 million. Along with these investments, the recovery in the energy sector could boost its financials. The management expects its adjusted EBITDA to come in the range of \$3.2-\$3.4 billion. I'm therefore bullish on Pembina Pipeline.

Pizza Pizza

My final pick would be **Pizza Pizza Royalty** ([TSX:PZA](#)). Due to its highly franchised business model, the company fared better than its peers during the pandemic. Further, the introduction of contactless pick-up and delivery transactions has resonated well with its customers, offsetting some of the declines in dine-in sales.

Meanwhile, the company's investment in expanding its digital channels could also boost its sales even in the post-pandemic world. Further, the wide-scale distribution of vaccines could prompt governments to lift restrictions, allowing the company to operate its restaurants at full capacity, driving its earnings and cash flows.

The company is therefore well positioned to continue paying its dividends. Pizza Pizza currently pays monthly dividends of \$0.055 per share, representing a forward dividend yield of 6.2%.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

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1. NYSE:ENB (Enbridge Inc.)
2. NYSE:PBA (Pembina Pipeline Corporation)
3. TSX:ENB (Enbridge Inc.)
4. TSX:KEY (Keyera Corp.)

5. TSX:PPL (Pembina Pipeline Corporation)
6. TSX:PZA (Pizza Pizza Royalty Corp.)

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