Boost Your Passive Income With These 3 Monthly Paying Dividend Stocks

Description

In this low-interest-rate environment, the yields on debt instruments have become unattractive. So, investing in monthly paying dividend stocks has become an attractive means to earn stable passive income. Further, investors could also benefit from stock appreciations. So, here are three top Canadian stocks that pay monthly dividends at higher yields.

Pembina Pipeline

Pembina Pipeline (TSX:PPL)(NYSE:PBA), with its integrated assets, offers a full spectrum of midstream and marketing services to the energy sector. The company has delivered an impressive performance over the last 10 years, with its adjusted EBITDA and average cash flows per share growing at a CAGR of 12.2% and 9.8%, respectively.

Further, the company earns over 90% of its adjusted EBITDA from fee-based or take-or-pay contracts, delivering stable cash flows. Supported by these stable cash flows, the company has increased its dividends at a CAGR of 4.9% in the last 10 years. Currently, the company pays monthly dividends of $0.21 per share, representing an attractive dividend yield of 6.6%.

Amid the recovery in the energy sector, Pembina Pipeline posted a solid first-quarter performance last week, with its adjusted cash flows from operating activities coming at $582 million. The company's management has also reiterated its previously stated 2021 guidance, which expects its adjusted EBITDA to come in the range of $3.2-$3.4 billion. So, given its stable cash flows, I believe the company's dividends are safe.

NorthWest Healthcare

Given its highly defensive and diversified health care real estate portfolio, **NorthWest Healthcare** (TSX:NWH.UN) generates stable and predictable cash flows irrespective of the economic environment. The company signs long-term agreements with its tenants, thus reducing vacancies. Most of its tenants receive government funding, thus delivering stability of its cash flows. The company's occupancy and collection rate stood at 97.1% and 98.2% in its December-ending quarter, respectively.

The stable cash flows have allowed NorthWest to reward its shareholders with monthly dividends. Its forward dividend yield is currently standing at an attractive 6%. Meanwhile, the expansion of its asset portfolio in Europe and Australia and robust acquisition pipeline could drive the company's financials in coming quarters. The company has also strengthened its liquidity position by raising around $220 million in February. So, given its recession-proof business model, stable cash flows, and healthy dividend yield, I believe NorthWest Healthcare could be an excellent buy for income-seeking investors.

TransAlta Renewables

TransAlta Renewables (TSX:RNW) owns and operates several renewable power-generating facilities. The company sells its power through long-term contracts, shielding its financials from price and volume fluctuations and delivering stable and predictable cash flows. The weighted average contract life stands at around 12 years, which is encouraging.

Amid increasing awareness over emissions from fossil fuel combustion, people and governments are gradually shifting towards green energy to meet their energy requirements. This secular shift could benefit TransAlta Renewables. Meanwhile, the company has 2.9 gigawatts of power-producing facilities in the pipeline. Along with these growth initiatives, the company's appetite for accretive acquisitions and sectoral tailwind could drive its financials in the coming quarters.

Besides, TransAlta Renewables has raised its dividends at a CAGR of 3% since going public in 2013. Currently, the company pays monthly dividends of $0.07833 per share, with its forward dividend yield standing at a healthy 5%.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:PBA (Pembina Pipeline Corporation)
2. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
3. TSX:PPL (Pembina Pipeline Corporation)
4. TSX:RNW (TransAlta Renewables)

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