



## 4 Top Canadian Dividend Stocks to Buy Under \$30

### Description

Your portfolio is incomplete without few high-quality dividend stocks. Along with paying stable passive income, dividend stocks will strengthen your portfolio, as these companies are less susceptible to market volatility. So, here are four dividend stocks that you can buy for under \$30.

### Telus

The demand for telecommunication services is growing amid digitization and increased remote working and learnings. So, given the favourable market condition, I have selected **Telus** ([TSX:T](#))([NYSE:TU](#)) as my first pick. Despite the pandemic, the company continued to expand its customer base by adding 145,000 new customers in the March-ending quarter while generating free cash flows of \$321 million.

Telus is investing \$3.5 billion this year to expand its 5G and broadband network across Canada. Supported by these investments, the company's management expects its revenue and adjusted EBITDA to grow at high single digits while generating free cash flows of \$1.5 billion. So, given its steady cash flows and healthy liquidity of \$3.6 billion, I believe Telus's dividend is safe. It currently pays quarterly dividends of \$0.3162, with its forward dividend yield standing at 4.52%.

### Algonquin Power & Utilities

**Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)) operates low-risk utility businesses serving over one million customers. It is also involved in renewable power generation. Meanwhile, the company sells its power through long-term contracts, shielding its financials from price and volume fluctuations and delivering stable cash flows. These steady cash flows have allowed it to raise its dividends by over 10% every year over the previous 11 years. Algonquin Power & Utilities currently pays a quarterly dividend of \$0.2094 per share, with its forward dividend yield standing at 4.41%.

Meanwhile, the company plans to invest around \$9.4 billion over the next five years, expanding its utility and renewable assets. Along with these investments, the Biden administration's focus on clean energy offers healthy growth prospects for the company. So, I believe [Algonquin Power & Utilities would be an excellent buy for income-seeking investors](#)

## AltaGas

After losing 5.4% of its stock value last year, **AltaGas** ([TSX:ALA](#)) has bounced back strongly this year, with its stock price rising by 32.1%. The recovery in the energy sector and its [solid first-quarter performance](#) appear to have boosted its stock price. Supported by the strong performance from its mid-stream vertical, the company reported an adjusted EBITDA and adjusted EPS growth of 35% and 63% in its first quarter, respectively.

As the economies gradually open worldwide, the energy demand could rise in the coming quarters, thus benefiting AltaGas. The company is also investing in growing its rate base and improving its utility assets' efficiency, contributing to its financial growth. So, the company's growth prospects look healthy. AltaGas pays a monthly dividend at \$0.0833 per share, representing a forward dividend yield of 4.01%.

## Extendicare

Amid the growing aging population in Canada, **Extendicare** ([TSX:EXE](#)) would be an excellent buy right now. It serves and provides care to around 79,900 senior citizens through its various brands. In its recently reported first-quarter performance, its top line and adjusted EBITDA grew by 18.6% and 27.4%, respectively. Further, its adjusted funds from operations rose \$7.9 million to \$19.5 million.

Further, Extendicare is focusing on replacing its aging facilities and increasing its capacity. So, it has undertaken nine new projects worth \$500 million. These investments could drive its earnings and cash flows in the coming quarters. So, I believe the company is well positioned to continue paying its dividends. Currently, Extendicare pays a monthly dividend of \$0.04 per share, with its forward dividend yield standing at 5.9%.

### CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

### TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:TU (TELUS)
3. TSX:ALA (AltaGas Ltd.)
4. TSX:AQN (Algonquin Power & Utilities Corp.)
5. TSX:EXE (Extendicare Inc.)
6. TSX:T (TELUS)

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