



3 Top TSX Dividend Stocks I Bought Last Month!

Description

I am a huge fan of dividend-paying stocks, as they allow me to generate a steady stream of passive income as well as allow investors to grow long-term wealth via capital gains. These companies need to have strong financials and a robust business model, as they should ideally maintain dividend payouts across business cycles.

In the last month, I bought the below blue-chip [dividend stocks](#) as part of my TFSA (Tax-Free Savings Account) portfolio.

TransAlta Renewables

A stock that pays you a dividend each month, **TransAlta Renewables** ([TSX:RNW](#)) is a company with solid long-term potential. The company has a wide portfolio of cash-generating assets that include solar, wind, hydro, and gas facilities. The global renewable energy market is forecast to grow at a compound annual growth rate of 8.3% through 2026, giving TransAlta Renewables multiple opportunities to grow its top line going forward.

After a subdued 2020, where its sales fell 2% year over year to \$355 million, Bay Street forecasts the top line to reach \$492 million this year — a growth of 38.6%. This will allow RNW stock to grow its earnings by 175% to \$0.77 per share.

In the last 12 months, the company generated \$256 million in free cash flow and paid \$237 million in dividends. It currently offers investors a tasty forward yield of 4.4%. TransAlta Renewables stock went public back in August 2013 and has since returned 113% to shareholders via capital gains.

Capital Power

Capital Power ([TSX:CPX](#)) aims to be a growth-oriented wholesale power producer in North America with a focus on sustainable energy. The Alberta-based company builds, owns, and operates a portfolio of high-quality utility-scale generation facilities including thermal and renewables.

Its business model generates stable and growing cash flows from a base of contracted and merchant portfolios, which is supported by investment-grade ratings. Capital Power has increased its quarterly dividends per share from \$0.34 in 2015 to \$0.51 in 2021, indicating a forward yield of 5%. The company aims to grow dividends by 7% in 2021 and 5% in 2022.

It [claims](#), "Capital Power creates and enhances shareholder value by generating power from well-maintained and efficiently operated plants, responsibly managing our business to maximize opportunities and minimize risk from an environmental, social and governance (ESG) perspective, and through investing in disciplined growth opportunities."

Algonquin Power Utilities

The final stock on my list is **Algonquin Power Utilities** ([TSX:AQN](#))([NYSE:AQN](#)), which provides investors with a forward yield of 4.7%. It is another company that will benefit from the accelerated shift towards clean energy solutions. Its [renewable energy portfolio](#) currently accounts for one-third of total earnings.

Algonquin Power stock has returned 223% in the last 10 years, easily outpacing the broader markets. Its resilient business model has also allowed the company to increase dividends at an annual rate of 10% in the last 11 years.

AQN's management said the company will invest close to \$9.4 billion in capex over the next five years, expanding its base of cash-generating assets, which will also allow it to increase dividend payments over time.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. TSX:AQN (Algonquin Power & Utilities Corp.)
3. TSX:CPX (Capital Power Corporation)
4. TSX:RNW (TransAlta Renewables)

PARTNER-FEEDS

1. Business Insider

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

Category

1. Dividend Stocks
2. Investing

Tags

1. Editor's Choice

Date

2025/08/22

Date Created

2021/07/16

Author

araghunath

default watermark

default watermark