



## 4 Dividend Stocks With a Yield of Over 4%

### Description

Dividend stocks provide investors an opportunity to grow wealth via a steady stream of recurring income as well as long-term capital gains. This makes [dividend-paying companies](#) attractive to income, growth, and value investors. Here, we take a look at four companies that boast a forward yield of more than 4%.

### Enbridge

The first stock on my list is Canadian energy infrastructure giant **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)). One of Canada's largest companies, Enbridge has managed to increased dividends at an annual rate of 10% in the last 26 years. The Dividend Aristocrat has a resilient business model as its cash flows are backed by long-term contracts making the company relatively immune to fluctuations in commodity prices.

Despite a steep plunge in oil prices last year, Enbridge managed to increase its dividend payouts, showcasing its robust fundamentals.

While Enbridge is one of the largest pipeline companies in the world, it's also looking to invest heavily in the renewable energy segment. This business now accounts for 4% of the company's cash flows. ENB stock currently provides investors with a forward yield of 6.8%.

### TC Energy

Another midstream player in Canada, **TC Energy** ([TSX:TRP](#))([NYSE:TRP](#)) has managed to increase dividends for 21 consecutive years. TC Energy transports oil and gas and its liquids pipeline segment continues to generate solid demand across business cycles.

TC Energy's natural gas pipeline rates are regulated, allowing it to generate steady cash-flows from its portfolio of cash-generating assets. It already has a project pipeline of \$21 billion which will be completed by the end of 2025. The infusion of capital will enable TC Energy to grow its dividends

between 5% and 7% each year in the medium term.

This Canadian stock offers investors a forward yield of 5.9% and has gained over 30% in the last five years after adjusting for dividend payouts.

## TransAlta Renewables

**TransAlta Renewables** ([TSX:RNW](#)) is one of the largest producers of wind power in Canada and a leading renewable energy player globally. It has a diversified asset platform with operations in three countries that include Australia, Canada, and the United States.

In the first six months of 2021, TransAlta experienced weaker-than-expected results due to higher unplanned outages in the Canadian gas segment and lower wind resources that impacted steam supply to customers.

This has led to a 7.4% decline in TransAlta stock price in 2021. However, the pullback also offers investors an opportunity to buy a high-quality stock at a lower valuation that offers a forward yield of 4.6%.

RNW stock has almost doubled in the last five years after adjusting for dividends.

## Capital Power

The final stock on my list is **Capital Power** ([TSX:CPX](#)). A [mid-cap company](#) valued at a market cap of \$.9 billion, Capital Power stock has a forward yield of 5.1%. Its cash flows from operations stood at \$129 million, while adjusted funds from operations were \$91 million in Q2 of 2021. It generated a net income of \$17 million and adjusted EBITDA of \$241 million in the June quarter.

Capital Power increased its financial guidance and now expects adjusted EBITDA to range between \$1.09 billion and \$1.14 billion this year, above its original guidance between \$975 million and \$1.02 billion. It also forecast adjusted funds from operations (AFFO) of between \$570 million and \$620 million above prior estimates of AFFO of between \$500 million and \$550 million.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. NYSE:TRP (Tc Energy)
3. TSX:CPX (Capital Power Corporation)
4. TSX:ENB (Enbridge Inc.)
5. TSX:RNW (TransAlta Renewables)
6. TSX:TRP (TC Energy Corporation)

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