



3 Top Dividend Stocks to Buy Now

Description

Algonquin Power & Utilities ([TSX:AQN](#))([NYSE:AQN](#)), **Exchange Income** ([TSX:EIF](#)), and **AltaGas** ([TSX:ALA](#)) are three top dividend stocks to buy now. They are great [dividend stocks](#) to buy for a safe and reliable passive income.

Algonquin Power & Utilities

Algonquin is a utility company with operations in Canada, the United States, Chile, and Bermuda. The company generates electrical power for sale through its unregulated renewable power generation facilities and operates a range of clean energy facilities.

Algonquin's Greening the Fleet program includes 600 MW of new wind power generation strategically located in the U.S. Midwest as well as the early retirement of a 200 MW coal-fired power plant, reducing the company's CO2 emissions by more than 900,000 metric tonnes. The company estimates its total greenhouse gas reductions since 2017 at over one million metric tonnes.

Last month, Algonquin reported its [second-quarter financial results](#), which beat both upper and lower expectations. Total revenue increased 53.5% year on year to US\$527.5 million and topped consensus call by US\$445 million, while profit of US\$0.15 per share was up 67% from a year ago and topped the analyst's estimate of US\$0.09 per share. Adjusted EBITDA increased 39% to US\$244.9 million.

Algonquin increased its dividend by 10% in 2021, extending a string of payout increases over the past decade.

Investors who buy the stock at the current price can get a 4.4% dividend yield.

Another 10% dividend increase could easily come next year, supported by investment plans and potential new acquisitions.

Exchange Income

Exchange Income is focused on acquiring and growing high-quality companies in the aviation and aerospace industries.

In the first quarter of 2021, Exchange Income had an EPS of \$0.16. With a recent strong recovery in the manufacturing sector, the company posted a solid 32% year-over-year increase in revenue in the second quarter. The company's revenue was \$239.29 million, exceeding \$235.12 million in the previous quarter.

While most other airlines have suffered from the pandemic in recent times, demand for Exchange Income's core niche aviation operations, such as emergency medical and charter services, has remained strong. Its constantly improving fundamentals could be another reason analysts expect EIF income to post solid earnings growth of 64% this year.

Its strong balance sheet allows the company to reward its investors with strong dividends every month. EIF stock currently offers a 5.3% dividend yield, making it one of the best dividend stocks to buy right now.

The company's strong balance sheet and strong demand for its services allow it to comfortably fund its monthly dividend payments.

AltaGas

AltaGas, a Canadian diversified energy infrastructure company, operates primarily in North America through its Utilities and Midstream segments.

Its low-risk utility assets generate predictable cash flow that supports regular and regular payments, making AltaGas a great monthly dividend stock. It currently offers a monthly dividend of \$0.083 per share, reflecting a decent yield of 3.9%.

AltaGas should continue to generate higher earnings and cash flow due to its regulated utility assets, growing rate base, and high-growth midstream business. While the utility's low-risk assets could continue to cover its payments, higher export volumes and cost optimization should accelerate its growth and dampen its profits. As for 2021, AltaGas is forecasting double-digit growth in EBITDA and earnings, which is encouraging.

In the first quarter of 2021, AltaGas had EPS of \$1.03, up 63% year on year compared to EPS of \$0.63 in Q1 2020. Revenue was \$2.45 billion, beating the previous quarter's revenue of \$1.33 billion.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

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1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. TSX:ALA (AltaGas Ltd.)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:EIF (Exchange Income Corporation)

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Author

sbchateauneuf

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