



3 Top Under-\$30 Dividend Stocks to Buy Right Now

Description

Investing in [dividend stocks](#) has multiple advantages. Apart from their regular payouts, investors can also benefit from the rising stock prices. Meanwhile, these companies are fundamentally strong and generate stable cash flows. So, these companies are less susceptible to market volatilities, thus providing stability to your portfolio. So, if you are ready to invest in dividend stocks, here are three top dividend stocks that you can buy for under \$30.

Telus

Telus ([TSX:T](#))([NYSE:TU](#)) is my first pick, which enjoys solid cash flows, thanks to its recurring revenue stream and large and growing customer base. Meanwhile, the demand for the company's services could rise further amid increased digitization and rising remote working and learning. Meanwhile, the company is investing aggressively to expand its 5G and broadband services.

Telus's management hopes to expand its 5G service to cover 70% of the Canadian population by the end of this year from its current 36%. So, its recent acquisition of new licenses for around \$1.95 billion could aid the company in expanding its services. Besides, its other high-growth verticals, such as TELUS Health and TELUS Agriculture, could also boost its financials in the coming quarters.

Meanwhile, Telus has an excellent track record of rewarding its shareholders with regular dividend hikes. It has paid around \$15 billion in dividends since 2004. Currently, it pays a quarterly dividend of \$0.3162, with its forward yield standing at 4.58%. Management is optimistic about its future cash flows and hopes to [raise its dividends](#) by 7-10% from 2020 to 2022. So, [Telus could be an excellent addition to your portfolio](#).

Algonquin Power & Utilities

Given its solid performance over the last five years, I have selected **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)) as my second pick. Supported by its low-risk utility and regulated renewable power-generating assets, the company has returned an impressive total shareholders returns of 141%

over the last five years.

Meanwhile, the company is focusing on expanding its utility and renewable asset portfolio and has planned to invest around \$9.4 billion through 2025. Along with these investments, the transition to clean energy could also benefit Algonquin Power & Utilities. Despite its healthy growth prospects, the company trades at an attractive forward price-to-earnings multiple of 18.2.

Additionally, Algonquin Power & Utilities has raised its dividends by over 10% for the last 11 consecutive years. Currently, it pays a monthly dividend of US\$0.1706, with its forward yield standing at a healthy 4.65%.

AltaGas

AltaGas ([TSX:ALA](#)) is an energy infrastructure company, which operates several midstream and utility assets. The company earns around 86% of its adjusted EBITDA from low-risk regulated assets or take-or-pay and fee-for-service contracts, delivering stable cash flows. Meanwhile, the company is continuing with its disciplined investments across the network and expects its rate base to grow at a compound annual growth rate (CAGR) of 8% through 2025.

The favourable rate revisions, new customer additions, rising energy demand, and falling operating costs could boost its financials in the coming quarters. So, I believe AltaGas is well-equipped to continue with its dividend growth. Currently, it pays a monthly dividend of \$0.0833 per share, with its forward yield standing at a healthy 4%.

Given its high growth prospects, healthy dividend yield, and attractive forward price-to-earnings multiple of 16.1, I am bullish on AltaGas.

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

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Date

2025/08/24

Date Created

2021/10/07

Author

rnanjapla

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