



## Canadian Investors: 2 Reliable High-Yield Dividend Stocks

### Description

Often when stocks trade with high dividend yields, it can be an early sign of trouble. Investors may be fearful that the company is facing some tough challenges ahead and have sold off the stock, causing the yield to rise significantly. However, this isn't always the case with high-yield Canadian dividend stocks.

Some high-yield dividend stocks are actually quite reliable. The reason that these stocks offer such an impressive payout on their investment is that they are made for [dividend investors](#) and return almost all of their capital back to investors.

You won't want every stock you own to do this, as you'll want some capital to invest in expanding the operations. With that said, though, these stocks can play an important role in your portfolio. So if you're looking for a reliable high-yield Canadian dividend stock to buy, here are two to consider today.

### A top restaurant royalty stock

If you're looking for a dividend stock that can pay you a high yield but is still quite resilient, **Pizza Pizza Royalty** ([TSX:PZA](#)) is an excellent company to consider.

The stock was made for dividend investors and consistently pays out almost all the capita it brings in each month. Plus, because it earns a royalty on all the sales that its hundreds of restaurants do across the country, the revenue it receives is generally very stable.

That doesn't mean it can't decline over time, but if it did so, you would notice ahead of time, and its sales would likely see a drop of no more than 1% or 2% year over year. So on top of the fact that Pizza Pizza is a relatively resilient stock, given its current 6.35% dividend, it's also highly predictable, which is why it's such an ideal investment for dividend investors.

While the pandemic did impact it slightly — by up to 15% in the first few quarters — today it has mostly recovered. Furthermore, the company continued to earn a profit throughout the pandemic and trimmed its dividend just to be safe.

So while the stock yields 6.35% today, you could actually expect a potential dividend increase soon. In general, Pizza Pizza targets a payout ratio just below 100%. And as of the last quarter, its trailing 12-month [payout ratio](#) was just 88%.

So if you're looking for a reliable high-yield Canadian dividend stock to buy today, Pizza Pizza is worth consideration.

## A top high-yield dividend stock to own long-term

In addition to Pizza Pizza Royalty, another excellent high-yield dividend stock for Canadian investors to buy today is **Alaris Equity Partners** ([TSX:AD.UN](#)).

Alaris is an investment fund that finds high-quality, profitable private businesses throughout Canada and the U.S. that could use its cash to help fund expansion. In exchange, Alaris takes a preferred equity position which includes a monthly cash distribution.

This is why it's such an excellent stock for dividend investors and why it can offer such a high yield but continue to offer growth potential as well. Alaris consistently earns cash flow, which it can return to investors. At the same time, though, its portfolio companies are growing their businesses, which is why Alaris is such an excellent stock to own long-term.

Because it has a variety of investments, it won't be completely safe during market pullbacks like we saw in the pandemic. However, its natural diversification helps to lower risk considerably. So if you're looking for a reliable high-yield Canadian dividend stock to buy today, Alaris stock currently yields 7.3%.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:AD.UN (Alaris Equity Partners Income Trust)
2. TSX:PZA (Pizza Pizza Royalty Corp.)

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**Date**

2025/06/29

**Date Created**

2021/10/13

**Author**

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