



The 3 Top Monthly Dividend Stocks for 2022

Description

Dividend stocks are a reliable source to generate passive income. Further, there are plenty of companies that offer monthly dividends. So, if you are planning to buy monthly paying dividend stocks in 2022, consider these three TSX stocks for a reliable passive-income stream.

Pembina Pipeline

With its diverse and integrated energy infrastructure assets and highly contracted business, **Pembina Pipeline** ([TSX:PPL](#))([NYSE:PBA](#)) is a top stock to invest in for monthly dividend income. It's worth noting that Pembina started paying dividends in 1997 and has paid more than \$10.5 billion in dividends since then.

Furthermore, its dividends have a CAGR of 4.9% in the last 10 years, while it is offering a stellar yield of 6.6% at current price levels.

Pembina covers its dividends from the fee-based cash flows, while its payout ratio is sustainable in the long run. Looking ahead, Pembina will likely generate strong fee-based cash flows on the back of improving energy demand, high volumes and average realized prices, contractual arrangements. Moreover, its backlogs and new growth projects will likely support its growth and higher dividend payments.

Pembina stock also looks attractive on the valuation front. Its price/earnings and EV/EBITDA multiple of 15.4 and 10.1 is lower than the pre-pandemic levels and compares favourably to the peer group average. Overall, its highly contracted cash flows, low valuation, and [high yield](#) make it a solid monthly paying dividend stock.

AltaGas

AltaGas ([TSX:ALA](#)) is another top-quality TSX stock offering monthly payouts. Thanks to its solid utility and midstream assets, AltaGas generates strong cash flows and provides clear visibility over its future

dividend hikes and payments.

It's worth noting that AltaGas's dividends are backed by its low-risk utility assets. AltaGas's utility assets generate predictable cash flows and benefit from continued rate growth and cost-saving initiatives and, in turn, support higher dividend payments. Looking ahead, AltaGas expects its rate base to have a CAGR of 8-10% through 2026, which will expand its high-quality earnings base and drive dividends higher.

Further, continued strength in its midstream business and higher export volumes will support its overall revenues and earnings. AltaGas expects its global exports volumes to grow at a CAGR of 10% over the next four years, which is encouraging.

Given its balanced portfolio of high-quality assets, rate base growth, and visibility over future earnings, AltaGas projects a 5-7% annual increase in its dividends over the next five years. Moreover, AltaGas offers a solid yield of 3.7%.

NorthWest Healthcare Properties

NorthWest Healthcare Properties REIT ([TSX:NWH.UN](#)) is another monthly paying dividend stock that's worth including in your portfolio. It is trading cheap and offers a [solid yield of 5.8%](#). Notably, NorthWest Healthcare owns a defensive real estate asset portfolio that consistently generates solid cash flows. Further, its tenants are government backed.

Looking ahead, I expect NorthWest Healthcare's financials to benefit from the long lease expiry term, high occupancy rate, and inflation-indexed rents. Moreover, its focus on strategic acquisitions and balance sheet optimization augur well for future growth.

CATEGORY

1. Dividend Stocks
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TICKERS GLOBAL

1. NYSE:PBA (Pembina Pipeline Corporation)
2. TSX:ALA (AltaGas Ltd.)
3. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
4. TSX:PPL (Pembina Pipeline Corporation)

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