



## TFSA Retirees: Here Are 3 Dividend Stocks That Pay You Each Month

### Description

Canadian retirees looking to generate a passive-income stream can achieve their goal by investing in stocks that pay a monthly dividend. Further, these stocks can be held in a TFSA ([Tax-Free Savings Account](#)), as any returns in the form of dividends, interest, or capital gains are exempt from Canada Revenue Agency taxes.

The maximum cumulative contribution room available in a TFSA stands at \$81,500 that can be used to buy stocks such as **Savaria** ([TSX:SIS](#)), **Northland Power** ([TSX:NPI](#)), and **Freehold Royalties** ([TSX:FRU](#)). Let's see why.

### Savaria

Valued at a [market cap](#) of \$1.17 billion, Savaria has returned 1,820% to investors in the last 10 years. Despite its market-thumping gains, the stock offers investors a forward yield of 2.7% and is also down 17% from all-time highs.

The company provides accessibility solutions for elderly and physically challenged individuals in North America, Europe, and other international markets. Its revenue almost doubled in Q3 of 2021 to \$181 million due to the acquisition of Handicare. Comparatively, its adjusted EBITDA soared by 55% to \$26.3 million in Q3.

Savaria explained its EBITDA in the September quarter was impacted by inflationary pressures that include rising freight costs. However, given its order backlog and bookings, the company is on track to surpass EBITDA of \$100 million in 2021.

Analysts expect Savaria shares to rise by 40% in the next 12 months, as it continues to trade at a cheap price-to-sales multiple of less than two and a price-to-earnings multiple of 20.78.

### Northland Power

An independent power producer, Northland Power develops, builds, owns, and operates clean and green power projects in North America, Latin America, Asia, and Europe. It produces electricity from renewable resources such as wind, solar, or hydropower, under power-purchase agreements and other revenue arrangements.

Northland Power is valued at a market cap of \$8.22 billion and offers investors a forward yield of 3.3%. After adjusting for dividends, NPI stock has returned 250% to investors since January 2012 and is currently trading 26% below all-time highs.

Given analyst price target estimates, Northland Power stock is trading at a discount of 10% right now. After accounting for its dividend yield, total returns will be closer to 13%.

## Freehold Royalties

Freehold Royalties is an oil and gas royalty entity. It owns working interests in oil, natural gas, and potash properties in Canada and the United States. Further, it holds around 6.7 million gross acres of land from in Canada with interests in 11,000 producing wells, allowing the company to receive a royalty from 300 industry operators.

As Freehold is part of the energy sector, its cash flows will remain cyclical. However, the increase in oil prices has allowed the stock to more than double in the last year while offering investors a forward yield of 5.5%.

Analysts expect revenue to rise from \$73 million in 2020 to \$275 million in 2022. Comparatively, its adjusted earnings are forecast to touch \$0.75 per share in 2022 compared to a loss of \$0.01 per share in 2020.

The stock might gain over 25% in the next year in dividend-adjusted gains looking at consensus price target estimates.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:FRU (Freehold Royalties Ltd.)
2. TSX:NPI (Northland Power Inc.)
3. TSX:SIS (Savaria Corporation)

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