



## 2 Top TSX Dividend Stocks to Buy in February

### Description

The ongoing turbulence in equity markets provides investors an opportunity to buy undervalued dividend stocks at a discount. Quality dividend stocks allow you to generate a recurring income stream as well as benefit from long-term capital gains. We'll look at two reasonably priced [dividend stocks](#), **Brookfield Renewable Partners** ([TSX:BEP.UN](#))([NYSE:BEP](#)) and **Canadian Natural Resources** ([TSX:CNQ](#))([NYSE:CNQ](#)), that you can buy right now.

### Brookfield Renewable Partners

One of the largest renewable energy companies in the world, Brookfield Renewable Partners has derived dividend-adjusted returns of 464% to investors in the last 10 years. However, the stock is currently trading 31% below record highs, offering investors a forward yield of 3.8%.

Brookfield Renewable Partners is a geographically diversified company with assets located in North America, Europe, and Asia. Its wide portfolio of cash-generating assets has allowed BEP to increase dividends at an annual rate of 6% since 2010. Brookfield Renewable Partners now aims to increase dividends between 5% and 9% going forward.

Brookfield Renewable Partners is well poised to benefit from the global shift towards clean energy solutions. Its recently announced acquisition of Urban Grid will also allow the company to triple its renewable development pipeline in the U.S.

Brookfield Renewable Partners achieved record funds from operations per unit in 2021, allowing it to continue its track record of double-digit annual growth for more than a decade. It currently has 15,000 megawatts of capacity under construction or in late-stage development. Further, it has a global development pipeline of 62,000 megawatts.

Brookfield Renewable Energy is fundamentally strong, executing more than US\$13 billion of financings and generating over US\$1.5 billion in proceeds from the financings. It announced a 5% increase in dividend distributions to US\$1.28 per share, which was the 11th consecutive year of over 5% distribution growth. The company generated funds from operations of US\$934 million, or US\$1.45 per

unit, in 2021 — an increase of 10% year over year.

Brookfield Renewable attributed the rise in FFO to its inflation-linked contracted cash flows, organic growth, as well as contributions from acquisitions.

## Canadian Natural Resources

The rise in crude oil prices has allowed Canadian Natural Resources to return 121% to shareholders in the last 12 months. In Q3 of 2021, CNQ reported net earnings of \$2.2 billion. Adjusted funds flow stood at \$3.6 billion while free cash flow was also approximately \$2.2 billion in the September quarter of 2021.

Its significant free cash flow generation allowed the company to decrease net debt by \$2.3 billion sequentially to \$15.9 billion. Canadian Natural Resources also returned \$1.1 billion to shareholders via dividends and repurchases in Q3.

CNQ continues to main strong financials and [ended Q3](#) with liquidity of \$6.2 billion. Its long-life, low-decline assets enable Canadian Natural Resources to support a sustainable and growing dividend. Despite depressed oil prices in 2020 and a challenging operating environment, CNQ managed to increase dividends in the last two years, which was the 21st year consecutive year of increases.

Its board of directors also approved a 25% increase of quarterly dividends to \$0.5875 per share, showcasing the sustainability of its business model. In fact, Canadian Natural Resources has increased dividends at an annual rate of 20% in the last 22 years and offers investors a forward yield of 3.44% right now.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. NYSE:CNQ (Canadian Natural Resources)
3. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
4. TSX:CNQ (Canadian Natural Resources Limited)

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1. araghunath
2. kduncombe

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**Author**

araghunath

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