3 High-Yielding Dividend Stocks to Boost Your Passive Income

Description

With inflation at a multi-decade high in Canada, investors should think of earning secondary or passive income to beat it. One of the cheapest and most convenient ways to earn passive income is investing in high-yielding, fundamentally strong dividend companies. Meanwhile, if you like to earn passive income, here are three top dividend stocks that pay dividends at a healthier yield of above 5%.

Enbridge

Enbridge (TSX:ENB)(NYSE:ENB) is one of the top dividend stocks to have in your portfolio, given its impressive track record, stable cash flows, healthy growth prospects, and high dividend yield. The company operates over 40 diverse and regulated assets, which deliver stable and predictable cash flows, thus raising its dividend consistently. It has increased its dividend at an annualized rate of 10% over the previous 27 years. With a quarterly dividend of $0.86 per share, its forward yield currently stands at a juicy 6.31%.

Meanwhile, Enbridge's management expects to invest around $3-$4 billion annually on low capital intensive and utility projects. The rising energy demand could increase the throughput of its liquid pipeline segment, thus boosting its financials. Given its healthy outlook, the management projects its DCF per share to grow 5-7% annually over the next three years; thus, it hopes to raise its dividend accordingly. Also, the company's balance sheet looks solid, with a liquidity of $10 billion. So, I believe Enbridge's dividend is safe.

BCE

With the growth in digitization and increased adoption of hybrid work models, the demand for telecommunication services is rising. So, I have picked **BCE** (TSX:BCE)(NYSE:BCE), one of Canada's three top telecommunication players, as my second pick. Meanwhile, the company had reported an impressive fourth-quarter performance earlier this month, outperforming analysts' expectations.

Amid its accelerated network expansion, BCE now has over one million wireless home network locations. It has also expanded its 5G coverage to cover 70% of the Canadian population. The company expects to invest around $5 billion this year to further its expansion plans. So, given its healthy growth prospects, the company expects to increase its 2022 free cash flows by 2-10%. So, the company's growth prospects look healthy.

Meanwhile, BCE had recently increased its quarterly dividend by 5.1% to $0.92 per share, marking a 14th consecutive year of above 5% dividend hike. Its forward yield currently stands at a juicy 5.54%. So, I believe BCE would be an excellent buy for income-seeking investors.

Canadian Utilities

My final pick is **Canadian Utilities** (TSX:CU), one of the longest Canadian public companies to raise its dividend consecutively. It has raised its dividend for the past 49 consecutive years and currently pays a quarterly dividend of $0.442 per share, with its forward yield at 5%. Meanwhile, the company operates five utility assets, which generate most of its cash flows.

Given its low-risk and regulated assets, Canadian Utilities generates substantial cash flows irrespective of the market conditions, thus allowing it to raise its dividend consistently. Meanwhile, the company has planned to grow its rate base at a CAGR of 2% over the next two years. The company's solid underlying business, favourable rate revisions, and strategic acquisitions could boost its financials in the coming quarters, thus allowing the company to continue with its dividend growth.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:ENB (Enbridge Inc.)
3. TSX:BCE (BCE Inc.)
4. TSX:CU (Canadian Utilities Limited)
5. TSX:ENB (Enbridge Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. kduncombe

2. rnanjapla

Category

1. Dividend Stocks
2. Investing

Date
2025/08/23
Date Created
2022/02/12
Author
rnanjapla