3 Canadian Stocks With Dividend Yields Over 5%

Description

Despite the ongoing Russia-Ukraine war, the Canadian equity markets have remained resilient, with the **S&P/TSX Composite Index** trading 2.9% higher for this year. However, the rising inflation and the impact of sanctions against Russia on global growth are cause for concern.

Meanwhile, income-seeking investors can buy the following three dividend stocks that pay dividends above 5% yield while strengthening their portfolios.

Enbridge

Enbridge (TSX:ENB)(NYSE:ENB) is a Dividend Aristocrat, raising its dividend at a CAGR of above 10% over the last 27 years. The company operates over 40 diverse revenue-generating assets, with over 98% of its adjusted EBITDA generated from regulated assets and fee-based contracts. So, its cash flows are resilient, thus prompting the company to increase dividends consistently. Currently, the company pays a quarterly dividend of $0.835/share, with its forward yield at 5.75%.

Meanwhile, Enbridge had put $10 billion of projects into service last year, which could boost its cash flows. The company continues to invest in expanding its midstream and renewable energy assets, which could grow its financials in the coming years. The company could also benefit from rising energy demand, as it would increase the throughput of its liquid pipeline segment.

So, I believe Enbridge is well positioned to continue with its dividend growth. Meanwhile, the company's valuation also looks attractive, with its forward price-to-earnings multiple standing at 18.9.

BCE

My second pick is **BCE** (TSX:BCE)(NYSE:BCE), one of Canada's three top telecom players. The e-commerce growth, the adoption of the hybrid work model, and growth in remote learning have increased the demand for internet services, expanding the addressable market for BCE.

Meanwhile, the company has accelerated its investments to strengthen its infrastructure and expand its services across Canada. From 2020 to 2022, the company's capital investment could reach $14 billion. Supported by these investments, the company had increased its wireless home internet locations by 1.1 million last year. Meanwhile, it expects an addition of 900,000 more connections this year. Further, the company also looks to expand its 5G service across Canada. So, these investments could boost its financials in the coming years, thus allowing it to pay its dividend at a higher yield.

Meanwhile, BCE has raised its dividend by over 5% annually for the last 14 years. With a quarterly dividend of $0.92/share, its forward yield stands at 5.05%. So, I believe BCE is an excellent stock to buy.

Pizza Pizza Royalty

Pizza Pizza Royalty (TSX:PZA) operates 725 restaurants under Pizza Pizza and Pizza 73 brands. Given its highly franchised business model, the company is less susceptible to market volatilities. Amid the improvement in its financials, the company had raised its monthly dividends by 8.3% in February to $0.065/share. Its forward yield currently stands at a juicy 5.61%.

Pizza Pizza Royalty has resumed its expansion plan amid the easing of pandemic-infused restrictions. It expects to increase its restaurant count by 5% by this year. The reopening of dining spaces and solid digital and delivery infrastructure bode well for its growth. So, considering all these factors, I am bullish on Pizza Pizza Royalty.

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2. NYSE:ENB (Enbridge Inc.)
3. TSX:BCE (BCE Inc.)
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rnanjapla