4 Top Dividend Stocks to Buy Under $20

Description

Investing in dividend stocks is one of the easiest and most convenient ways to earn passive income. Dividend stocks are also less susceptible to market volatility due to their regular payouts. So, given the rising volatility in the equity markets, here are four top dividend stocks that you can buy for under $20.

Savaria

Savaria (TSX:SIS) provides accessibility solutions for elderly and physically challenged individuals across 40 countries, with a strong network of 1,500 dealers. Its revenue in 2021 grew by 86.5% to $661 million, primarily due to the acquisition of Handicare. The progress in the integration and synergies of Handicare and rising demand due to the rising aging population could drive its growth.

Given its growth prospects, Savaria's management has provided optimistic guidance for 2022, with its top line expected to grow by 17.2%. Its adjusted EBITDA could also increase from $106 million to $120-$130 million. Given its growth potential, I believe the company's dividend is safe. Currently, it pays a monthly dividend of $0.0417/share, with its forward yield standing at 3.12%.

Pizza Pizza Royalty

Pizza Pizza Royalty (TSX:PZA) operates Pizza Pizza and Pizza 73 branded restaurants through its franchises. Given its highly franchised business model, the company generates stable cash flows and is less susceptible to market volatility than its peers. The reopening of non-traditional restaurants and dining spaces amid easing COVID-induced restrictions could boost the company's financials in the coming quarters.

Further, the company has restarted its new restaurant development program and expects to increase its count by 5% this year. The digital and pickup channels could continue to support its growth. So, Pizza Pizza is well positioned to continue paying a dividend at a healthier rate. With a monthly dividend of $0.065/share, its forward yield stands at 5.52%. So, Pizza Pizza Royalty could be an excellent buy.

NorthWest Healthcare Properties REIT

NorthWest Healthcare Properties REIT (TSX:NWH.UN) owns and operates 224 healthcare properties spread across multiple countries. So, it enjoys higher occupancy and collection rate, irrespective of the state of the economy, thus delivering stable and predictable cash flows. These robust cash flows support the company's dividend. Its forward dividend yield currently stands at a healthy 5.82%.

Meanwhile, the company plans to expand its footprint in the United States, Canada, Australia, and Europe. It recently raised around $172 million to complete its previously announced acquisition of assets worth $765 million in the United States. It also has a substantial development project pipeline, which could boost its financials in the coming years. So, NorthWest Healthcare is well positioned to continue paying the dividend at a healthier yield.

Algonquin Power & Utilities

My final pick is **Algonquin Power & Utilities** (TSX:AQN)(NYSE:AQN), which is involved in regulated, low-risk utility businesses and renewable power generation. It also acquires strategic assets to drive growth. So, supported by these robust cash flows, the company has raised its dividend by over 10% for the last 11 years. Its forward yield is currently at 4.29%.

Meanwhile, the company expects to invest around $4.3 billion this year, with most of its capital committed to acquiring New York American Water and Kentucky Power. Further, the company expects to invest an additional $8 billion to grow its renewable and utility assets over the next four years. So, given its healthy growth prospects and low-risk business, I believe Algonquin Power & Utilities's dividend is safe.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. TSX:AQN (Algonquin Power & Utilities Corp.)
3. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
4. TSX:PZA (Pizza Pizza Royalty Corp.)
5. TSX:SIS (Savaria Corporation)

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