



Passive Income: 3 Dividend Stocks With Yields Over 5%

Description

Are you looking for dividend stocks that yield more than 5%?

If so, you're in luck. This year's market correction has sent many stocks lower. As a result, they now have much higher yields than they used to. Even in sectors that are rallying — like energy — dividends are increasing faster than stock prices are. So, there are good dividend stocks to be found in just about every sector.

Algonquin Power & Utilities

Algonquin Power & Utilities ([TSX:AQN](#))([NYSE:AQN](#)) is a Canadian utility stock that yields 5.21%. Its stock price has fallen over the last 12 months, because its earnings have declined. It might seem like that's a bad thing, but it looks like much of AQN's earnings decline has been "on paper" losses.

Over the last 12 months, AQN's earnings have declined 65% while its operating cash flow has increased 191%. This suggests that the company's earnings may have fallen due to mark-to-market "losses," depreciation, or some other like factor. At any rate, AQN's [most recent quarter](#) was very strong, boasting metrics:

- \$0.21 in EPS, up 5%, which is in line with estimates
- \$735 million in revenue, up 15.9%, beating estimates
- An 11.59% net profit margin
- A 7% return on equity

All of these figures were greatly improved from the prior year quarter, suggesting that AQN has upside.

Pembina Pipeline

Pembina Pipeline ([TSX:PPL](#))([NYSE:PBA](#)) is a Canadian pipeline stock that yields 5.03%. The company is involved in transporting oil and gas. It also has a crude oil marketing business. PPL's most

recent quarter delivered the following results:

- \$3 billion in revenue, up 50%
- \$858 million in gross profit, up 36%
- \$655 million in cash from operations, up 44%
- \$1 billion in adjusted EBITDA, up 20%

It was a pretty strong quarter. And with oil and gas prices rising, Pembina Pipeline has the potential to keep the good times rolling.

Enbridge

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) is another pipeline stock. This one yields about 6%. Enbridge is Canada's biggest pipeline company and a major oil transporter in North America. It also has a natural gas utility business that supplies 75% of Ontario's natural gas needs. Enbridge hasn't risen as much as some oil stocks this year, because its business doesn't profit off higher oil prices as much as E&P companies do. Nevertheless, Enbridge is having a good run this year. Its [most recent quarter](#), ENB delivered the following:

- \$0.95 in EPS, up 1%
- \$0.84 in adjusted EPS, up 3.7%
- \$2.9 billion in cash from operations, up 11%
- \$3.1 billion in distributable cash flow, up 10%

As you can see, the growth wasn't as strong here as it was in Pembina's case, but the company nevertheless expanded. So, there is a real possibility for ENB's already sky-high yield to go even higher. Over the last five years, Enbridge has increased its dividend by about 9% per year. If Enbridge keeps up this dividend-growth track record, then it should have an even higher yield on cost tomorrow than it has today. And its current yield is already among the highest of large-cap TSX stocks.

CATEGORY

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1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:ENB (Enbridge Inc.)
3. NYSE:PBA (Pembina Pipeline Corporation)
4. TSX:AQN (Algonquin Power & Utilities Corp.)
5. TSX:ENB (Enbridge Inc.)
6. TSX:PPL (Pembina Pipeline Corporation)

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