



3 Top Monthly-Paying Dividend Stocks for Income-Seeking Investors

Description

Despite actions taken by central banks globally, analysts expect an inflationary environment to continue in the near term. Rising food and fuel prices have created holes in consumers' pockets. However, a secondary or passive income could help you cushion the increased expenses. If you are seeking to generate income without the sweat, investing in monthly-paying [dividend stocks](#) would be an ideal way to boost your passive income. If you are ready, here are my three top picks.

Keyera

Yesterday, **Keyera** ([TSX:KEY](#)) reported solid second-quarter performance, with its adjusted earnings before interest, tax, depreciation, and amortization (EBITDA) growing by 41% to \$315.9 million. The strong performance from its marketing segment drove its financials. Meanwhile, the company's management expects oil prices to remain elevated for the rest of this year. So, it has raised its 2022 guidance for the marketing segment, increasing its realized margin guidance from \$300-\$340 million to \$380-\$410 million.

Further, Keyera's fee-for-service infrastructure provides stable cash flow. Meanwhile, the midstream energy player is developing several new pipelines and natural gas processing plant projects, including the \$1.6 billion KAPS NGL and condensates pipeline, and expects them to expand commercial activities over the next five years. These growth initiatives could boost the company's adjusted EBITDA at a CAGR of 6-7%. Given its dividend payout ratio of 51% and healthy liquidity of \$1.7 billion, the company's dividends look sustainable. With a monthly dividend of \$0.16/share, the dividend yield for the next 12 months stands at 6.09%.

NorthWest Healthcare Properties REIT

Another safe monthly-paying dividend stock is **NorthWest Healthcare Properties REIT** ([TSX:NWH.UN](#)), which operates a portfolio of healthcare properties across eight countries. The REIT's long-term agreements, government-backed tenants, and inflation-indexed rent provide long-term stability. These stable cash flows have allowed the company to pay dividends at a healthy rate. With a monthly

dividend of \$0.0667/share, the dividend yield for the next 12 months stands at 6.11%. Investors would earn \$6.11 in dividends on an investment of \$100 in the company.

Meanwhile, NorthWest has entered the highly-lucrative United States market by acquiring 27 properties for \$765 million in April. Additionally, the company is looking to expand its portfolio in high-growth markets, such as the United Kindom, Australia, Germany, and Canada. It also strengthened its balance sheet by issuing secondary offerings and selling non-core assets. So, given its stable cash flows, growth initiatives, and strong financial position, NorthWest Healthcare is well-positioned to continue paying dividends at a healthier rate.

TransAlta Renewables

Third on my list would be **TransAlta Renewables** ([TSX:RNW](#)), which reported solid second-quarter performance yesterday. The green power utility’s revenue and adjusted EBITDA grew by 43.5% and 30%, respectively. The incremental production from the recently commissioned Windrise wind facility, the acquisition of the North Carolina Solar facility, and higher wind resources in Canada and the United States drove the company’s performance.

Meanwhile, TransAlta Renewable’s growth prospects look healthy as governments and businesses worldwide are slowly shifting towards clean or renewable energy amid rising pollution levels. Furthermore, the contract extension for the Kent Hills wind facilities and Sarnia cogeneration facility, and the expansion of the Mount Keith transmission system could drive its growth in the coming quarters. With its liquidity at \$0.8 billion, TransAlta Renewables’s financial position also looks healthy. So, the company’s dividends are safe. It currently pays a monthly dividend of \$0.07844, with a forward yield at 5.14%.

CATEGORY

- 1. Dividend Stocks
- 2. Investing

TICKERS GLOBAL

- 1. TSX:KEY (Keyera Corp.)
- 2. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
- 3. TSX:RNW (TransAlta Renewables)

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