



3 TSX Stocks With High Dividend Yields

Description

Although the Canadian equity markets have rebounded from their July lows, high inflation and the fear of rising interest rates amid recent comments from Jerome Powell, the Federal Reserve of the United States, have made investors nervous, leading to the volatility in the equity markets. So, given the volatile environment and rising expenses due to an inflationary environment, investors can invest in the following three stocks with [dividend](#) yields higher than 6% to earn a stable passive income.

Enbridge

With an excellent track record of paying dividends uninterrupted for the last 67 years and a high dividend yield of 6.33%, **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) is my first pick. It operates over 40 revenue-generating assets, with around 98% of its adjusted EBITDA (earnings before interest, tax, depreciation, and amortization) generated from long-term or cost-of-service contracts. About 80% of its EBITDA has protection against inflation, thus shielding its margins amid the rising expenses.

Further, the rising energy demand and growing exports have increased exploration and production activities, driving Enbridge's asset utilization. Additionally, the company is continuing its secured capital program of \$13 billion, with already \$3 billion spent in the first six months of this year. Amid these investments and rising demand for its services, the company's management expects its DCF (discounted cash flow)/share to grow at a CAGR (compounded annual growth rate) of 5-7% through 2024. The growth in DCF could allow the company to continue its dividend growth.

NorthWest Health Properties REIT

With a dividend yield of 6.38%, **NorthWest Healthcare Properties REIT** (TSX:NWH) is my second pick. The REIT (real estate investment trust) owns and operates highly defensive healthcare properties. It has signed long-term contracts with its tenants (with a weighted average lease expiry of 14.1 years), which has lowered its vacancies. Its government-backed tenants and inflation-indexed rent provide stability to its financials.

In April, NorthWest Healthcare ventured into the United States by acquiring 27 healthcare facilities for \$735 million. These acquisitions could allow the company to expand its presence in the lucrative United States healthcare market. It continues to raise funds to strengthen its balance sheet and fund its developmental projects. So, given its stable cash flows and growth initiatives, I believe NorthWest Healthcare's dividend is safe.

Meanwhile, the company trades at 7.4 times its last four quarters' EPS (earnings per share), making it an attractive buy.

Pizza Pizza Royalty

Third on my list is **Pizza Pizza Royalty** ([TSX:PZA](#)), which has raised its dividend twice this month. The company, which operates Pizza Pizza and Pizza 73 branded restaurants, witnessed solid same-store sales growth of 20.3% in the June-ending quarter. The reopening of its dining spaces and non-traditional restaurants and improvement in economic activities have increased foot traffic, thus driving its sales.

Meanwhile, Pizza Pizza Royalty's management focuses on menu innovations, creative marketing, and new restaurant opening to drive growth. Its investment in digital and delivery channels could continue to drive its sales in the coming quarter. Also, the company's highly franchised business model delivers stable cash flows, allowing it to reward its shareholders by paying a dividend at a healthy rate. With a monthly dividend of \$0.0675/share, the company's yield stands at an attractive 6.38%.

Further, with its NTM (next 12-month) [price-to-earnings ratio](#) standing at 14.4, I believe Pizza Pizza Royalty is an excellent buy in this volatile environment.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. TSX:ENB (Enbridge Inc.)
3. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
4. TSX:PZA (Pizza Pizza Royalty Corp.)

PARTNER-FEEDS

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

9. Yahoo CA

PP NOTIFY USER

1. kduncombe
2. rnanjapla

Category

1. Dividend Stocks
2. Investing

Date

2025/08/16

Date Created

2022/09/05

Author

rnanjapla

default watermark

default watermark