



## 3 Dividend Beasts with Over 7% Yields

### Description

High inflation will likely persist until the Bank of Canada can bring the rate down to its 2% target. Unfortunately, the timeframe is undeterminable, and it's almost certain that more rate hikes are coming to contain it fully. With the rising price of goods and services, [dividend investing](#) can help you endure this new era of high inflation.

Canadians have plenty of dividend stock choices on the **TSX**. But, if you're a high-yield seeker or have [limited capital](#) to invest, these are the three dividend beasts that should be on your radar. Royalty companies like **Freehold Royalties** ([TSX:FRU](#)), **Diversified Royalty** ([TSX:DIV](#)), and **Boston Pizza** ([TSX:BPF.UN](#)) have yields of more than 7%, allowing you to combat rising costs with generous passive income streams.

### Solid income provider

Freehold Royalties has been a solid income provider in 2022 owing to the vigorous activities of its royalty assets in North America. The \$2.25 billion oil & gas royalty company owns vast tracts of royalty lands in Canada (five provinces) and the U.S. (eight states).

According to management, the diversity of industry operators in its land holdings lowers risk and ensures steady royalty income streams. The three consecutive quarters of record funds from operations also reflect in the energy stock's performance. At \$14.93 per share, current investors enjoy a 33.76% year-to-date gain on top of the juicy 7.23% dividend.

The Board of Directors recently gifted shareholders on record, as of July 29, 2022, a 13% dividend hike (the seventh increase in two years). Because Freehold pays monthly dividends, a \$16,600 investment will generate \$100 in extra monthly income.

### Cheap dividend machine

Diversified Royalty trades at only \$2.90, but the dividend yield is a mouth-watering 7.91%.

Interestingly, this dividend machine is also beating the market year-to-date, +8.25% against -5.82%. On September 8, 2022, management announced a dividend hike to its monthly dividend.

Its President and CEO, Sean Morrison, said, "DIV is pleased to announce a 6.8% dividend increase as our royalty partners, on an aggregate basis, experience positive trends consistent with DIV's second-quarter earnings results." In Q2 2022, net income grew 36.5% to \$7.1 million versus Q2 2021.

Moreover, the \$11.1 million revenue during the quarter was DIV's strongest revenue quarter since adopting its multi-royalty strategy nine years ago. This \$360.52 million multi-royalty corporation collects royalties from six royalty partners led by Mr. Lube, AIR MILES, Sutton, Mr. Mikes, Nurse Next Door, and Oxford Learning Centres.

## Cash cow

Boston Pizza is a cash cow for its ultra-high 7.82% dividend in the restaurant segment. Business in the first half of 2022 was surprisingly strong, with the 383 Boston Pizza restaurants in the royalty pool reporting a 50.8% year-over-year increase in franchise sales. Notably, cash flow from operating activities rose 27.5% to \$15.77 million versus the same period in 2021.

Management said sales in Q2 2022 were the strongest since the start of the pandemic. Because Boston Pizza's franchise sales results during the quarter exceeded pre-pandemic levels, the \$349.3 million royalty fund increased its monthly cash distribution rate by 17.6%. If you invest today, the share price is \$16.23.

## Monthly dividends

Income investors looking for higher dividends can consider buying any of these three dividend beasts. The respective businesses are doing pretty well, notwithstanding the headwinds.

### CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing
4. Stocks for Beginners

### TICKERS GLOBAL

1. TSX:BPF.UN (Boston Pizza Royalties Income Fund)
2. TSX:DIV (Diversified Royalty Corp.)
3. TSX:FRU (Freehold Royalties Ltd.)

### PARTNER-FEEDS

1. Business Insider
2. Flipboard
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