Passive Income: 3 Top TSX Stocks That Pay Dividends Monthly

Description

Investing in monthly-paying dividend stocks is an excellent means to earn stable passive income. This is especially important in inflationary environments because passive income provides a cushion for your daily expenses. So, if you're looking to invest in monthly-paying dividend stocks, here are my three top picks.

NorthWest Healthcare Properties REIT

With a high dividend yield of 7.18% and attractive NTM (next 12 months) price-to-earnings multiple of 6.6, **NorthWest Healthcare Properties REIT** (TSX:NWH.UN) is an excellent buy for income-seeking investors. It operates 232 healthcare facilities across eight countries, including medical office buildings, clinics, and hospitals. The company has signed long-term agreements with its tenants, with a weighted average lease expiry of 14.1 years.

Also, a substantial percentage of its tenants have the backing of governments. This means that the company enjoys higher occupancy and collection rates. Besides, around 80% of the company's rent is inflation-indexed, minimizing the impact of the current inflationary environment.

Meanwhile, NorthWest Healthcare is expanding its footprint and venturing into the lucrative U.S. market by acquiring 27 healthcare facilities across 10 states. Also, its solid pipeline of projects bodes well for future growth.

Pizza Pizza Royalty

The reopening of the economy has increased the footfalls at **Pizza Pizza Royalty's** (TSX:PZA) restaurants, with the company posting a same-store sales growth of 20.3% in the June-ending quarter. The growth in same-store sales increased its royalty pool sales by 20.8%, while its adjusted EPS (earnings per share) grew by 19.5%.

Meanwhile, the growth could continue as the company focuses on introducing innovative products and creative marketing strategies to attract more customers. Its investment in strengthening digital and delivery channels could also continue to support its growth.

Pizza Pizza Royalty has resumed its restaurant expansion initiative and expects to increase its store count by 5% this year. It is also renovating its old restaurants. These initiatives could continue to drive its financials, thus allowing the company to pay dividends at a healthier rate. Amid its improving financials, the company increased its dividends twice this year, with its yield currently at an attractive 6.4%. Meanwhile, the company's valuation looks cheap, with its NTM price-to-earnings at 14.1.

TransAlta Renewables

TransAlta Renewables (TSX:RNW) has been under pressure this year, with its stock falling over 12%. The outage at the Kent Hills wind site has hurt its financials, thus dragging its stock price down. However, the company's outlook is healthy as governments and businesses focus on transitioning towards cleaner energy to reach net-zero climate goals. Meanwhile, the company continues to add capacity and extend its contracts, which could boost its financials in the coming quarters.

Meanwhile, the company has put long-term PPAs (power-purchase agreements) in place to sell the power generated from its facilities. So, its financials are shielded against price and volume fluctuations, thus delivering stable financials.

Supported by its stable cash flows, the company has consistently paid dividends since 2013, with its yield currently at a handsome 5.98%. Besides, the recent selloff has dragged its NTM price-to-earnings down to 19.4, lower than its historical average. So, considering all these factors, I believe TransAlta Renewables would be an ideal buy in this volatile environment.

CATEGORY

1. Dividend Stocks

TICKERS GLOBAL

1. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
2. TSX:PZA (Pizza Pizza Royalty Corp.)
3. TSX:RNW (TransAlta Renewables)

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. agraff
2. rnanjapla

Category

1. Dividend Stocks

Date
2025/08/15
Date Created
2022/09/26
Author
rnanjapla