



Boost Your Passive Income With These 3 High-Yielding Dividend Stocks

Description

The Canadian equity markets have made a solid beginning to this month, with the **S&P/TSX Composite Index** rising 4.3%. Falling bond yields have raised investors' confidence, driving the index higher. However, high inflation is a cause of concern, as it hurts consumers' purchasing power.

Meanwhile, investors can mitigate the impact of higher expenses (due to increased prices) by supplementing themselves with secondary income. Investing in high-yielding [dividend stocks](#) would be one of the convenient ways to do so. Due to their regular and stable payouts, these companies are less susceptible to market volatility, thus providing stability to your portfolios. So, if you want to invest in high-yielding dividend stocks, here are my three top picks with dividend yields of over 6%.

Enbridge

Enbridge ([TSX:ENB](#)) is an [energy](#) infrastructure company that transports oil and natural gas through a network of pipelines. The company generates stable cash flows, with long-term contracts and regulated assets securing 98% of its EBITDA (earnings before interest, tax, depreciation, and amortization). So, these stable cash flows have allowed the company to raise its dividend for the previous 27 years at an annualized rate of 10%. Its dividend yield currently stands at a juicy 6.49%.

Meanwhile, amid the ongoing geopolitical tensions, Europe is looking at reducing its reliance on Russian oil and gas, thus leading to a growth in LNG (liquefied natural gas) exports from North America. This transition could benefit Enbridge, which is looking at strengthening its asset base with a secured capital investment of \$13 billion. So, I believe these investments and a favourable environment could boost its cash flows in the upcoming quarters, thus allowing the company to continue its dividend growth.

NorthWest Healthcare Properties REIT

With an impressive dividend yield of 7.6% and attractive NTM (next 12-month) [price-to-earnings ratio](#) of 6.2, **NorthWest Healthcare Properties REIT** ([TSX:NWH.UN](#)) is my second pick. Given its

healthcare properties, long-term rent agreements, and government-backed tenants, the company's occupancy and collection rate remained high, even during the economic downturn. Also, with 82% of its rent indexed to inflation, the company's financials are well protected in this inflationary environment.

Supported by its diversified and defensive healthcare portfolio, the company's adjusted funds from operations have grown by 16% in the first six months of this year. Meanwhile, the growth could continue, given its solid developmental pipeline. The company is looking at strengthening its footprint in high-growth markets, such as the United States, the United Kingdom, Germany, and Australia. So, I believe NorthWest Healthcare's payouts are sustainable.

Pizza Pizza Royalty

Pizza Pizza Royalty ([TSX:PZA](#)) is the owner of Pizza Pizza and Pizza 73 brand restaurants. It operates a highly franchised business model, receiving 6-9% of its franchisees' sales as a royalty. With its royalty aligned with the franchisees' revenue, increased expenses amid inflation will not hurt its financials, thus making the company an excellent buy in this inflationary environment. Besides, easing restrictions and reopening non-traditional restaurants have increased foot traffic, thus driving the company's second-quarter same-store sales growth by 20.3%.

Meanwhile, the uptrend could continue, as Pizza Pizza Royalty focuses on implementing technological advancements, introducing innovative menu items, and creative marketing. Further, it has accelerated its restaurant expansion program while expecting to increase its restaurant count by 5% this year. So, given its reliable cash flows and healthy growth prospects, I believe the company's dividend is well protected. Its high dividend yield of 6.27% and a cheaper NTM price-to-earnings multiple of 14.4 make Pizza Pizza Royalty an excellent buy for income-seeking investors.

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.)

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