These High-Yield Dividend Stocks Are Growing at Blazing Speeds

Description

Due to the ability to generate consistent profits across market cycles, dividend stocks have historically outpaced the broader markets over time. In 2022, the bloodbath witnessed in the equity markets has driven yields for several dividend-paying stocks higher, making them attractive to income-seeking investors.

Holding a basket of quality dividend stocks can also help shareholders create a passive stream of income and benefit from long-term capital gains. Further, the top-performing companies look to enhance investor wealth by increasing these payouts each year.

Here we look at two high-yield dividend stocks on the TSX that are growing at blazing speeds.

Brookfield Infrastructure Partners

One of the top TSX stocks in the past decade, **Brookfield Infrastructure Partners** (TSX:BIP.UN) has returned 1,420% to investors in dividend-adjusted gains since its initial public offering in September 2009. Despite its outsized gains, BIP stock offers investors a tasty dividend yield of 3.93%.

Further, these payouts have increased at an annual rate of 9.77% in the last 13 years. Investors can expect dividends to keep rising, as the company’s funds from operations rose by 24% year over year to US$525 million in the third quarter (Q3) of 2022. Its organic growth stood at 10%, reflecting Brookfield’s robust business model that has allowed it to thrive in an inflationary environment.

In the last 12 months, Brookfield Infrastructure has commissioned US$1.2 billion of capital projects, which should expand its base of cash-generating assets. It also deployed US$2 billion via acquisitions that contributed to the company’s stellar Q3 results.

In August 2022, Brookfield Infrastructure announced a partnership with **Intel**, where the joint venture will invest US$30 billion to build a semiconductor foundry in Arizona. Brookfield will deploy US$15 billion for a 49% stake in the facility.

Brookfield Infrastructure is a diversified company that owns and operates utilities, power lines, cell towers, data centres, and pipelines, as well as a range of several other infra-assets. Its cash flows are generally contractually secured or regulated, indicating cash flows are stable in good times and bad.

Brookfield aims to grow its dividend distributions between 5% and 9% annually over the medium term, making it a top bet right now.

Innergex Renewable Energy

One of the most promising renewable energy stocks on the TSX, **Innergex Renewable Energy** (TSX:INE) pays investors an annual dividend of $0.72 per share, indicating a forward yield of 4.4%.

Shares of Innergex went public in late 2007, and the company has since returned 303% to investors. The company has successfully built a geographically diversified portfolio of high-quality and long-lasting assets across sectors such as hydro, wind, and solar.

Valued at a market cap of $3.3 billion, Innergex is forecast to increase its revenue from $747 million in 2021 to $1 billion in 2023. Its bottom line is also forecast to rise from a loss of $0.04 per share in 2021 to earnings of $0.37 per share in 2023.

In Q3, the company’s free cash flow increased 49% year over year to $159 million, while operating cash flow grew 45% to $412.44 million, indicating a payout ratio of 91%.

Analysts remain bullish on the stock and expect it to deliver returns of over 30% to shareholders in the next 12 months.

CATEGORY

1. Dividend Stocks
2. Investing

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2. TSX:INE (Innergex Renewable Energy Inc.)

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