Passive-Income Hat Trick: 3 TSX Stocks to Buy for Monthly Cash

Description

Monthly paying dividend stocks are a lucrative investment option to earn regular passive income. Thankfully, the TSX has several top-class stocks that offer monthly payouts, providing investors an opportunity to diversify their risk and make a steady income.

But before discussing stocks, let's be clear: even the safest stocks carry risks and could result in losses. Also, the dividends are not guaranteed, and any adverse operating environment could lead to a reduction in payouts.

With that background, let's look at three stocks that have paid, maintained, and increased their dividends, despite the tough operating environment, implying investors can consider adding these stocks to their portfolio for steady passive income.

Keyera

Keyera (TSX:KEY) operates in the energy sector and provides the gathering, storing, processing, and transportation of natural gas and natural gas liquids. The company's low-risk, integrated energy infrastructure assets witness high utilization and generate solid DCF (distributable cash flow) per share that supports its dividend payments.

For instance, Keyera's DCF per share increased at a CAGR (compound annual growth rate) of 8% since 2008. During the same period, its dividend had a CAGR of 7%. Keyera currently pays a monthly dividend of $0.16 per share, implying a stellar dividend yield of 6.4% based on its closing price of $29.86 on November 23.

Its fee-for-service energy infrastructure assets generate solid cash to fund its growth measures and cover dividend payouts. Moreover, it has low leverage and no immediate debt maturities. Also, the company is confident of growing its adjusted EBITDA (earnings before interest, taxes, depreciation,and amortization) at an average annualized rate of 6-7% through 2025, which will drive its DCF pershare and dividend payments. Furthermore, its target payout ratio of 50-70% of DCF is sustainable inthe long term.

While Keyera is a solid dividend stock, factors impacting demand for its services could hurt its financial and operating performance and, in turn, its dividend payments.

NorthWest Healthcare Properties REIT

REITs (real estate investment trusts) can be an attractive addition to your portfolio to earn steady passive income. Among Canadian REITs, **NorthWest Healthcare** (TSX:NWH.UN) can be a solid addition to your portfolio due to its high-quality tenant base and defensive portfolio of healthcare-focused assets.

It owns a geographically diversified portfolio, and 80% of its tenants have government support. Its occupancy remains high, while 82% of the rents have protection against inflation. Moreover, NorthWest benefits from its long-weighted average lease term of about 14 years.

Based on its closing price of $10.19 on November 23, NorthWest Healthcare offers a high yield of 7.9%, which is great for passive-income seekers. However, investors should note that its high leverage and increased interest expenses are taking a toll on its adjusted funds from operations, which could hurt its payouts.

Pembina Pipeline

Pembina Pipeline (TSX:PPL) operates an energy infrastructure business and benefits from the highly contracted nature of its assets. Thanks to these contractual arrangements, Pembina generates solid fee-based cash flows that support its payouts.

It has maintained and raised its dividend for over two decades. Meanwhile, its dividend has had a CAGR of close to 5%. Based on Pembina's current monthly payouts, it offers a dividend yield of about 5.5%.

Though Pembina didn't announce a dividend cut amid the pandemic, investors should note that any adverse condition disrupting its operations could lead to a dividend cut and hurt its future payouts.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:KEY (Keyera Corp.)

2. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
3. TSX:PPL (Pembina Pipeline Corporation)

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. snahata

Category

1. Dividend Stocks
2. Investing

Date
2025/08/22
Date Created
2022/11/26
Author
snahata