



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

Description

Most individuals want to create multiple income streams and gain financial independence faster. Over the years, investing in quality, high-yield [dividend stocks](#) has allowed investors to build wealth over time. Companies equipped with strong balance sheets typically pay dividends to shareholders. Further, these payouts typically increase each year, driving the effective dividend yields higher.

After a tumultuous phase in 2022, investors now have the opportunity to start the new year on a clean slate and create a robust portfolio of quality dividend stocks.

So, let's see how these three TSX dividend stocks can help you create a passive-income stream in 2023.

Keyera

An energy company that pays shareholders a monthly dividend, **Keyera** ([TSX:KEY](#)) operates in the energy infrastructure space. It offers investors a monthly dividend of \$0.16 per share, translating to a forward yield of 6%.

COMPANY	RECENT PRICE	NUMBER OF SHARES	DIVIDEND	TOTAL PAYOUT	FREQUENCY
Keyera	\$31.76	472	\$0.16	\$75.52	Monthly
Brookfield Infrastructure	\$46.70	321	\$0.4875	\$156.48	Quarterly
BCE Inc.	\$62.93	238	\$0.92	\$218.96	Quarterly

In the last three quarters, higher energy prices allowed Keyera to increase adjusted earnings by more than 80% year over year to \$1.86 per share. Comparatively, its distributable cash flow per share rose to \$2.49, indicating a payout ratio of less than 60%. Priced at 14.3 times forward earnings, Keyera stock is reasonably valued.

The company has allocated almost \$1 billion towards the KAPS project, which should drive future cash flows higher. Its expanding base of cash-generating assets has enabled Keyera to increase dividends at an annual rate of 6.5% in the last 20 years.

Brookfield Infrastructure Partners

A company with a diversified business and one that enjoys significant pricing power, **Brookfield Infrastructure Partners** ([TSX:BIP.UN](#)) should be on the top of your shopping list in 2023. Down 18% from record highs, BIP stock yields 4.2% and has returned over 450% to investors in the last 10 years after accounting for dividends.

Priced at 11.5 times its funds from operations (FFO), Brookfield Infrastructure is quite cheap. BIP expects its FFO per share to expand by 12-15% in 2023, showcasing the resiliency of its business model. Its inflation-linked contracts enable BIP to benefit from a period of rising prices.

In the last year, the company also sold a few of its slow-growth assets and used the funds towards highly accretive acquisitions, which should expand earnings at a rapid pace in the future.

BCE

Part of the legacy telecom industry, **BCE** ([TSX:BCE](#)) currently has a dividend yield of 5.9%. It is among Canada's largest telecom and internet service providers and enjoys a market share of 30%. It also has a news and entertainment vertical and is well poised to benefit from the transition toward 5G technology.

In the last 14 years, BCE has increased its dividend payouts at an annual rate of 6.4%. BCE is a blue-chip stock that has survived multiple economic cycles and continues to generate steady cash flows.

The Foolish takeaway

Investing \$15,000 in each of these three stocks will help investors generate \$2,412 in annual dividend income. In case the payouts increase by 7.2% each year, your dividend payout will double to \$4,825 in 10 years.

Further, if these TSX dividend stocks are held in a TFSA (Tax-Free Savings Account), the payouts will be exempt from Canada Revenue Agency taxes.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:BCE (BCE Inc.)
2. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)
3. TSX:KEY (Keyera Corp.)

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