2 Stocks to Help You Retire Early

Description

The retirement age in Canada by year-end 2023 until 2024 is 65 years, based on the econometric models of Trading Economics. Regarding the retirement benefits such as the Canada Pension Plan (CPP) and Old Age Security (OAS), the Canadian federal government set the age at 65. Eligible recipients can receive or take more if they wait until 70.

However, the actual retirement date depends on one's readiness, and especially the size of one's nest egg. Two prominent stocks, **Pembina Pipeline** (TSX:PPL) and **Chemtrade Logistics Income Fund** (TSX:CHE.UN), can help you retire early.

Besides their juicy dividend yields, the frequency of payouts is monthly. You can realize the power of compounding with this setup because you can reinvest the dividends 12 times in a year.

Dividend aristocrat

Pembina Pipeline, a major player in North America's oil and gas midstream industry, owns diversified and integrated transportation and midstream assets. This $25.9 billion company derives revenues from diversified and highly contracted businesses. The energy stock trades at $47.08 per share (+2.44% year to date) and pays a 5.60% dividend.

The Pipelines division boasts an integrated network of hydrocarbon liquids and natural gas pipelines. Pembina Gas Infrastructure (PGI) in the Facilities division is a joint venture (60-40) with global investment firm KKR. PGI is a premier gas processing entity in Western Canada that provides natural gas, condensate, and NGL (natural gas liquids) services.

Pembina, through its Marketing & New Ventures division, maximizes the value of hydrocarbon liquids and natural gas from the basins they operate in by creating new markets. The proposed development of the Alberta Carbon Grid (ACG) should also create sustainable long-term value for stakeholders. Pembina is planning to build the world-leading carbon transportation and sequestration platform with **TC Energy**.

In the first three quarters of 2022, Pembina's revenue and net earnings soared 46.9% and 134.7% year over year to $8.9 billion and $2.7 billion versus the same period in 2021. Besides the revenue-generating capacity, Pembina is a dividend aristocrat owing to 10 consecutive years of dividend increases.

Long-term organic growth opportunities

Like Pembina Pipeline, Chemtrade operates a diversified business in North America and globally. The $1.1 billion fund provides industrial chemicals and commands significant regional market share across products. Two core business segments, Sulphur & Water Chemicals (SWC) and Electrochemicals (EC), are its income sources.

Management said the product portfolio is defensive because the business model focuses on size, scale, and earnings diversity. Moreover, the extensive product portfolio with diversified exposure to industrial and consumer end-markets is a competitive advantage.

Chemtrade expects to report record results for 2022. In the nine months ended September 30, 2022, revenue rose 34% year over year to $1.4 billion while net earnings reached $120.8 million compared to the $54.6 million net loss from a year ago.

Management sees compelling organic growth opportunities and targets $75 million of incremental Adjusted EBITDA. At only $9.67 per share (+8.34% year to date), the specialty chemical company pays a mouth-watering 6.12% dividend.

The pipedream

The pipedream of nearly everyone is early retirement or at least retiring before the standard age. Prospective retirees can prep up their retirement fund by investing in the stocks that can help them retire early.

CATEGORY

1. Dividend Stocks
2. Investing

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2. TSX:PPL (Pembina Pipeline Corporation)

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