TFSA Dividend Addicts: 3 TSX Stocks Yielding as High as 5.9%

Description

Hello, Fools! I'm back to highlight three high-yield dividend stocks. As a reminder, I do this because high-yield dividend stocks

- provide a healthy income stream in both good and bad markets; and
- tend to outperform the market over the long run.

The three stocks below offer an average dividend yield of 4.6%. So, if you're looking to boost your tax-free income in 2020, these three stocks are a good place to start searching.

Without further ado, let's get to it.

Bankable bet

Leading off our list is financial services giant **Bank of Nova Scotia** (TSX:BNS)(TSX:BNS), which boasts a healthy dividend yield of 5%.

The stock has slumped in recent months, providing income investors with a possible buy-in opportunity. In the most recent quarter, EPS of $1.82 met expectations as revenue $8 billion slightly underperformed estimates.

On the bullish side, however, Scotia shares now trade at a forward P/E of about 9.5. When you couple that cheapish ratio with the stock's fat yield, Scotia might be too good to pass up.

"In 2019, we made significant progress against our strategic objectives by sharpening our geographic footprint and improving our business mix," said CEO Brian Porter. "We've also invested heavily in our people, processes, and technology to better position the Bank for success over the long-term."

Scotia shares sport a beta of 1.2.

Saved by the bell

With a dividend yield of 5.1%, telecom gorilla **BCE** (TSX:BCE)(NYSE:BCE) is next on our list of high yielders.

BCE's massive scale (Canada's largest communications company), strong capital structure, and consistent subscriber growth should continue to fuel hefty long-term dividends. In the most recent quarter, for instance, earnings grew 6% to $922 million, as wireless net additions clocked in at a record 204,067.

More importantly, BCE's operating cash flow increased 10.5% to an impressive $2.26 billion.

"With exceptional execution by the Bell team in Q3, we achieved industry-leading subscriber growth — including record Q3 net wireless customer additions — improved customer satisfaction and a strong financial performance," said CEO George Cope.

BCE shares currently trade at a forward P/E in the mid-teens.

Number one choice

Rounding out our list is electricity utility **Hydro One** (TSX:H), which sports a solid dividend yield of 3.7%.

Hydro One continues to lean on its scale advantages (roughly 1.4 million customers), highly regulated operating environment, and investment grade balance sheet to deliver healthy dividends for shareholders. In the most recent quarter, net income jumped 24% to $241 million, as revenue clocked in at $1.6 billion.

More importantly, Hydro One generated a whopping $648 million in operating cash flow.

"Our five-year strategy will keep an intense focus on what matters most to our investors, customers, employees, and our partners which is strong results in safety, efficiency, reliability, customer, satisfaction, and growth," said CEO Mark Poweska.

Hydro One shares currently trade at a forward P/E in the high teens.

The bottom line

There you have it, Fools: three top high-yield stocks worth checking out.

As always, don't view them as formal recommendations. Instead, look at them as a starting point for more research. A dividend cut (or halt) can be especially painful, so you'll still need to do plenty of due diligence.

Fool on.

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4. TSX:BNS (Bank Of Nova Scotia)
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