



## 2 Top TSX Dividend Stocks Paying 4.5% Yields

### Description

Income investors can still find top dividend stocks trading at reasonable prices that offer attractive yields.

### Emera

**Emera** ([TSX:EMA](#)) is a utility company based in Halifax with \$31 billion in assets serving 2.5 million customers located in Canada, the United States, and four Caribbean countries. The businesses include electric and natural gas utilities, natural gas pipelines, and an energy marketing and trading firm.

In the [Q1 2021 results](#), Emera reported adjusted net income of \$243 million compared to \$193 million in the same period the previous year.

Emera has \$7.4 billion in capital projects scheduled for 2021-2023. Management says another \$1.2 billion could be added to the list. As a result, Emera expects its rate base to increase by at least 7.5% through 2023. In 2021, investments are on track for \$2 billion and a 6% rate base hike to \$22.5 billion.

Dividend growth should be at least 4% per year, according to the guidance. Emera's current distribution provides a yield of 4.5% at the time of writing.

Low borrowing rates and a strong Canadian dollar could pave the way for more acquisitions to complement the organic growth portfolio. As consolidation continues in the energy infrastructure industry, Emera might even become a takeover target. If that occurs, investors could score a nice buyout premium.

In the meantime, this is a great stock to buy as a defensive income pick for investors who are concerned about the next market correction.

## Telus

**Telus** ([TSX:T](#))([NYSE:TU](#)) is one of Canada's top communications players with world-class wireless and wireline networks providing customers with mobile, internet, and TV services.

The company also has a growing digital health division that is a leader in providing Canadian doctors, hospitals, and insurance companies with digital health solutions. This part of the business could develop into a meaningful contributor to revenue growth in the coming years. In addition, investors might get a nice bonus if Telus Health is spun off at a high valuation. The company successfully listed its **Telus International** business earlier this year at an initial valuation of \$8.5 billion. That's more than the total Telus market capitalization just 21 years ago.

At the current share price near \$27.50, Telus has a market capitalization of about \$35 billion.

Telus raised its dividend earlier this year and is investing heavily in the expansion of its [5G](#) and fibre optic networks. As customers consume more data across multiple platforms, Telus should have opportunities to develop new revenue streams.

A recent decision by the CRTC to walk back planned price cuts on wholesale internet services gives Telus better clarity on its revenue outlook. As a result, management will be more comfortable investing in network expansion and upgrades.

Telus has a great track record of dividend growth, and the trend should continue for years. Investors who buy the stock today can pick up a solid 4.6% dividend yield.

## The bottom line on top dividend stocks

Emera and Telus are great picks for dividend investors who want reliable and growing income from stocks that are generally not impacted by global economic or geopolitical events. The distributions are expected to grow at a steady pace and the share prices should drift higher over time.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:TU (TELUS)
2. TSX:EMA (Emera Incorporated)
3. TSX:T (TELUS)

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