



4 Top Dividend Stocks to Buy for Financial Freedom

Description

Dividend stocks provide some of the best and easiest ways to create a passive-income stream. Investing in equities, commodities, currencies is great. But having dividend stocks to buy at strong levels means you can bring in steady and stable revenue, and at rates higher than inflation!

So, today I'm going to cover four dividend stocks to buy on the **TSX** today that offer superb value and a strong future outlook.

Canadian Utilities

Utilities are some of the best places to look for dividend stocks to buy. That's because utilities remain stable, even when there is a market crash in most cases. In the case of **Canadian Utilities** ([TSX:CU](#)), Motley Fool investors also get access to the rebound of the oil and gas market. The company continues to grow through investments, most recently adding \$430 million to its portfolio of projects.

The company received higher adjusted earnings, as the utility sector continues to rebound. Shares are now up 18% year to date, yet it remains of great value. The stock trades at an EV/EBITDA of 13.1 and a price-to-book (P/B) ratio of 1.9. You can pick up the stock with a dividend yield of 4.95% — one that's grown at a compound annual growth rate (CAGR) of 8.72% over the last decade.

IGM Financial

Financial institutions are another great rebound sector for dividend stocks to buy. Financial institutions are like having a financial manager attached to your portfolio. In the case of **IGM Financial** ([TSX:IGM](#)), the company has been doing quite well. In fact, it recently announced a record-high investment fund net flow, with total consolidated net flows reaching \$777 million during August 2021. That's on top of record high earnings during the latest report.

Shares of the company are up 41% year to date, yet it's still of incredible value. Motley Fool investors can pick up the stock with a price-to-earnings (P/E) ratio of 13.1 and an EV/EBITDA of 8.4. Then you

can take advantage of the company's solid dividend yield of 4.76%, which has remained solid over the last decade.

Scotiabank

The Big Six banks are all great options for a portfolio, especially when looking for dividend stocks to buy. But analysts really like **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)), believing it far undervalued compared to its peers. That's mainly due to its international exposure in countries that may lag behind when it comes to rebounding out of the pandemic. Yet when that happens, these are emerging markets that could be very fruitful for Scotiabank.

The price is definitely undervalued, with a P/E ratio of 10.96, and a P/B ratio of 1.4. Shares are up 18% year to date but have lagged over the last few months. Should signs of life appear during the [next quarter](#), this stock could take off. Meanwhile, you can lock in a dividend yield of 4.61% that's risen at a CAGR of 6.27% over the last decade.

Great-West Lifeco

Finally, finances and insurance seem to go hand in hand, and that's what investors should [appreciate](#) about **Great-West Lifeco** ([TSX:GWO](#)). The company continues to expand its reach as one of the dividend stocks to buy, both by expanding in retirement and in Asian markets. This provides stable future opportunities for investors to sink their teeth into.

Yet again, it's a steal at today's levels. Shares are up 33% year to date but remain at a valuable 11.1 P/E ratio, 9.5 EV/EBITDA, and 1.6 P/B ratio. You can then lock in a 4.54% dividend yield that's grown at a CAGR of 3.6% during the last decade. Motley Fool investors can do well with lots of these stocks. But Great-West Lifeco offers the best deal and the most stable option, with solid dividends to boot!

CATEGORY

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1. NYSE:BNS (The Bank of Nova Scotia)
2. TSX:BNS (Bank Of Nova Scotia)
3. TSX:CU (Canadian Utilities Limited)
4. TSX:GWO (Great-West Lifeco Inc.)
5. TSX:IGM (IGM Financial Inc.)

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