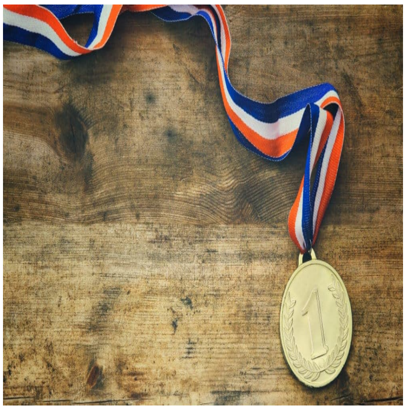

The Top 3 Most Reliable Dividend Stocks (With +5% Yields) in Canada

Description

The stock market could remain volatile due to high inflation and rising interest rates. Amid the current scenario, now is the time to turn towards high-quality dividend stocks to earn extra cash, irrespective of where the market moves.

So, for investors planning to start a passive-income stream through stocks, I have shortlisted three top dividend stocks with 5% or more dividend yields.

Keyera

Keyera (TSX:KEY) runs an energy infrastructure business and has consistently enhanced shareholders' value through solid dividend payments. Its fee-for-service energy infrastructure assets benefit from high utilization and generate steady cash flows that help support its dividend payouts and fund growth projects organically.

It's worth mentioning that Keyera's DCF (distributable cash flow) per share has increased at an average annualized rate of 8% in the past 14 years. Meanwhile, its dividend grew at a CAGR (compound annual growth rate) of 7% during the same time.

Keyera expects its adjusted EBITDA (earnings before interest, taxes, depreciation, and amortization) to increase at a CAGR of 6-7% through 2025. Meanwhile, its plans to lower its debt further and boost growth capital. Keyera's financial strength (strong liquidity, low leverage, and consistent EBITDA growth) will drive its DCF/share. Meanwhile, its dividend would grow its in line with DCF growth.

Overall, Keyera's solid track record of dividend payments, conservative payout ratio (target of 50-70% of DCF), and high yield of over 6% make it a reliable stock to earn steady cash amid all market cycles.

Scotiabank

Leading Canadian banks are a reliable source of passive income. Most of them have been paying dividends for more than 100 years. Investors could consider **Scotiabank** (TSX:BNS)(NYSE:BNS) stock among the top banks. Notably, Scotiabank started paying dividend in 1833. Since then, it has regularly paid the dividend.

Scotiabank's dividend is supported through its consistent earnings growth. Its earnings have a CAGR of 5% in the last decade. Meanwhile, Scotiabank's dividend grew at a CAGR of 6% during the same period.

Scotiabank's diversified exposure to high-quality growth markets, growing share in the core market, solid credit quality, and improving efficiency leverage will continue to support its earnings and dividend growth. Further, Scotiabank offers a lucrative dividend yield of 5.7%.

Enbridge

Enbridge (TSX:ENB)(NYSE:ENB) is a top stock for earning cash regardless of where the marker moves. Its highly diversified cash flows and inflation-protected EBITDA drive its DCF/share and dividend payments. Enbridge has been paying dividend for approximately 67 years. Meanwhile, in the last 27 years, its dividend has grown at a CAGR of 10%.

It's worth mentioning that Enbridge owns 40 diversified cash streams. Meanwhile, long-term contractual arrangements with provisions to reduce volume and price risk drives its cash flows. Also, Enbridge benefits from its solid base of conventional and green energy assets. Further, its assets have high utilization. Besides the strength in its underlying business, its multi-billion secured projects, benefits from assets placed into services, and productivity savings will drive its DCF/share and dividend payments.

Further, Enbridge's target payout ratio of 60-70% of DCF is sustainable, while it offers a high yield of more than 6% based on current price levels.

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2. Investing

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2. NYSE:ENBA (Enbridge)
3. TSX:BNS (Bank Of Nova Scotia)
4. TSX:ENB (Enbridge Inc.)
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