3 Great Dividend Stocks You Can Buy for Less Than $100

Description

Dividend stocks are great investments to earn steady passive income, regardless of market conditions. Besides offering regular income, top-quality Canadian dividend stocks add stability to your portfolio (thanks to their established business and continued earnings growth) amid wild market swings, and they protect against downside risk.

What's more? One can buy top-class dividend stocks for less than $100, making them well within reach of every investor. Against this background, let's look at three great dividend stocks trading under $100.

Fortis

With 49 years of consistent dividend growth, **Fortis** (TSX:FTS) is a solid large-cap income stock that can be relied upon amid all market conditions. Also, it is one of the safest stocks on the TSX, thanks to its regulated electric and gas utility business that remains relatively immune to market cycles and generates predictable and growing cash flows.

Fortis's regulated utility assets and growing rate base support its earnings and dividend payments. Fortis's $22.3 billion five-year capital plan will likely expand its rate base and support higher dividend payments. It expects its rate base to increase at a CAGR (compound annual growth rate) of 6.2% through 2027. Moreover, the company's annual dividend is forecasted to increase by a CAGR of 4-6% through 2027.

Fortis's low-risk business model, visibility over its future dividend growth, and reliable yield of 4.2% make it a great dividend stock.

Scotiabank

When it comes to dividends, top Canadian bank stocks have been a reliable source of steady income for decades. For instance, several Canadian banks have paid dividends for over 100 years. Moreover, they have increased the same at a decent pace in the past decade. Within the banking space, investors could consider adding **Scotiabank** (TSX:BNS) stock for its solid payout history and high yield.

The financial services giant has paid dividend since 1833. Furthermore, its dividend has had a CAGR of 6% in the past decade. Its current dividend yield of 6% stands out, which is the highest among its peers.

Scotiabank's dividend is driven by its diversified revenue base and consistent earnings growth. Notably, its earnings grew at a CAGR of 5% in the past decade. Further, its exposure to the fast-growing banking markets, higher volumes, increased interest rates, and solid credit quality indicates that Scotiabank could continue to deliver decent earnings growth that would drive its payouts.

Keyera

Energy infrastructure company **Keyera** (TSX:KEY) is another solid option for investors seeking reliable dividend income. The company's solid fee-for-service asset base continues to benefit from a high utilization rate and generates strong cash flows to fund its growth initiatives organically and drive higher dividend payments.

Thanks to its high-quality earnings, Keyera's DCF (distributable cash flow)/share has had a CAGR of 8% since 2008. Further, as the company targets a dividend-payout ratio of 50-70% of its DCF/share, Keyera increased its dividends at a CAGR of 7% during the same period.

Thanks to the strength in its base business, Keyera projects a 6-7% increase in its adjusted EBITDA (earnings before interest, taxes, depreciation, and amortization) through 2025. This will help drive the company's DCF and dividend payments. Also, the company is focusing on reducing its net debt and sees its conservative payout ratio as sustainable in the long term. Importantly, investors can earn a lucrative yield of 6.5% by investing in Keyera stock at current levels.

CATEGORY

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2. TSX:FTS (Fortis Inc.)
3. TSX:KEY (Keyera Corp.)

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Date
2025/08/26
Date Created
2022/11/27
Author
snahata