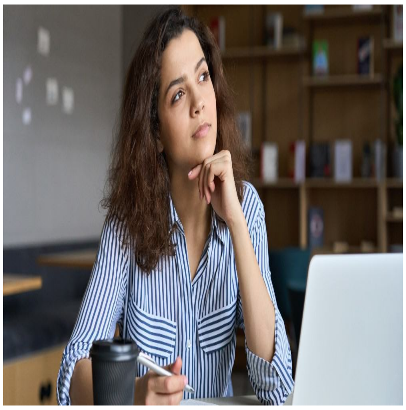

Young Investors: 3 Best Dividend Stocks to Own in 2023

Description

Young investors are facing a major challenge in navigating the present-day market. It may be prudent to adopt a conservative approach, as experts and analysts continue to warn of potential volatility in early 2023. Today, I want to target three of my top dividend stocks that young investors should own in 2023. Let's dive in.

Young investors can trust this telecom dividend stock for the long haul

Cogeco Communications (TSX:CCA) is a Montreal-based communication corporation that operates throughout North America. Shares of this dividend stock have dropped 33% year over year as of close on January 30. The stock has dipped 11% so far in 2023.

This company released its first-quarter (Q1) fiscal 2023 earnings on January 12. Cogeco reported total revenues of $762 million — up 6.1% from the previous year. Meanwhile, profit jumped 3.2% to $120 million. EBITDA stands for earnings before interest, taxes, depreciation, and amortization, and it aims to give a more accurate picture of a company's profitability. Cogeco delivered adjusted EBITDA growth of 5.1% to $367 million.

Management opted to adjust its financial guidelines in Q1 FY2023. Cogeco revised revenue and adjusted EBITDA growth projections between 0.5% and 2.0%. Meanwhile, the board of directors announced a quarterly dividend of $0.776 per share. That represents a solid 4.4% yield. This dividend stock possesses a very favourable price-to-earnings (P/E) ratio of 7.4. Young investors should consider this undervalued dividend stock as we look ahead to February.

Here's a dividend stock in the financial space that also offers nice growth potential

TMX Group (TSX:X) is a Toronto-based company that operates exchanges, markets, and clearinghouses primarily for capital markets in Canada and around the world. Financialization of the broader economy has expanded significantly since the 2007-2008 financial crisis. Young investors should feel comfortable betting on the future of capital markets. Shares of TMX Group have increased 1.7% year over year.

Investors can expect to see this company's fourth quarter and full-year fiscal 2022 earnings on February 6, 2023. In Q3 2022, TMX Group delivered revenue growth of 16% to $269 million. Meanwhile, adjusted net income rose 6% to $93.7 million and adjusted diluted earnings per share (EPS) jumped 7% to $1.68.

This dividend stock currently possesses a favourable P/E ratio of 14. Young investors can also count on its quarterly dividend of $0.83 per share, which represents a 2.5% yield. TMX Group offers a shot at strong capital growth in addition to decent income.

This energy giant is perfect for a young investors' portfolio in 2023

Enbridge (TSX:ENB) is the third dividend stock I'd suggest young investors snatch up at the end of January. This Calgary-based energy infrastructure company is a heavyweight that you can rely on for the long term. Shares of Enbridge have jumped 1.7% in the new year.

This company is set to unveil its final batch of fiscal 2022 results on February 10. Enbridge delivered adjusted earnings of $1.4 billion, or $0.67 per common share, in Q3 2022 — up from $1.2 billion, or $0.59 per common share, in the previous year. Meanwhile, adjusted EBITDA rose to $3.8 billion compared to $3.3 billion in the third quarter of fiscal 2021.

Shares of this dividend stock possess a solid P/E ratio of 20. It offers a quarterly dividend of $0.887 per share, representing a very tasty 6.5% yield.

CATEGORY

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