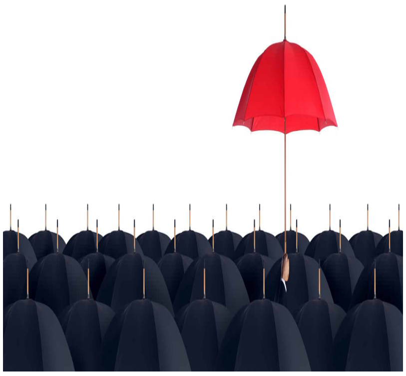

3 of the Safest Dividend Stocks in Canada

Description

Income investors, including retirees, want uninterrupted passive-income streams. The TSX has a wide selection of dividend payers, although not all are reliable income providers when the economy worsens. In today's challenging environment, no investment is exempt from market headwinds. However, you can stay invested and take a calculated risk.

If you're dividend investing in 2023, **Bank of Nova Scotia** (TSX:BNS), or Scotiabank, **Transcontinental** (TSX:TCL.A), and **Savaria** (TSX:SIS) are among the safest dividend stocks in Canada. The big bank has a dividend track record of more than 100 years, while the two industrial stocks are Dividend Aristocrats.

Bedrock of stability

Canada's banking industry is a bedrock of stability, especially the Big Six banks. Scotiabank, the third-largest financial institution, is a top-of-mind choice because it pays the highest dividend in the sector. You won't mind paying $74.16 per share (+13.55% year to date) for peace of mind and a juicy 5.6% dividend.

The $88.35 billion bank started paying dividends in 1832 and has shared a portion of its earnings with shareholders yearly since then. In fiscal 2022 (12 months that ended October 31, 2022), net income rose 2.2% to $10.17 billion versus fiscal 2021. Its new chief executive officer (CEO) Scott Thomson is expected to guide BNS through its subsequent growth and development phase.

According to economists and market experts, the central bank is unlikely to cut interest rates anytime soon. Inflation devalues savings and income, although the high yield of BNS can lessen its impact.

Strong financial position

Transcontinental is a prominent name in North America's flexible packaging industry and is Canada's largest printer. It also operates the leading Canadian French-language educational publishing group.

The $1.28 billion company reported higher revenue and solid profit growth in 2022.

In the fiscal year that ended October 30, 2022, revenues and net earnings increased 11.8% and 8.1% year over year to $2.95 billion and $141.2 million. Peter Brues, Transcontinental's president and CEO, said the Packaging Sector recorded over 10% growth in adjusted operating earnings, and he expects the profitable growth to continue.

Brues added, "In fiscal 2023, we will remain focused on improving profitability and cash flows from operating activities." Since there are no major debt maturities until 2025, Transcontinental has the financial flexibility to pursue growth opportunities. At $14.84 per share (-1.46% year to date), the dividend offer is a lucrative 6.13%.

Growing aging population

Savaria is the global leader in accessibility and mobility. This $1.06 billion company designs, manufactures, installs, and distributes accessibility equipment including stairlifts, wheelchair lifts, and commercial or residential elevators. The aging population (plus the disabled community) is a growing and captured market.

The preliminary financial results for 2022 showed 19% and 77.7% increases in revenue and operating income to $789 million and $64 million versus 2021. For fiscal 2023, management expects a revenue growth between 8% and 10%. Organic growth is achievable due to strong demand, high backlog, and successful cross-selling activities.

Savaria trades at $16.57 per share (+18.79% year to date) and pays a decent 3.14% dividend if you invest today.

Solid choices

BNS is a no-brainer buy for its 190-year dividend track record. Transcontinental (20 years) and Savaria (nine years) are solid income stocks for their fantastic dividend-growth streaks.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

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2. TSX:SIS (Savaria Corporation)
3. TSX:TCL.A (Transcontinental Inc.)

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