

## 3 Inexpensive Dividend-Paying Stocks to Consider Buying Today

### Description

As many investors have come to know, finding the right stock at the right price is a difficult task. To make things easier, I have compiled a list of three stocks that are trading at inexpensive forward valuations that also pay dividends, so let's take a closer look at each to determine which one would fit best in your portfolio.

#### 1. Transcontinental Inc.

**Transcontinental Inc.** ([TSX:TCL.A](#)) is the largest printer in Canada, with operations in print and digital media, flexible packaging, and publishing. At today's levels, its stock trades at just 7.1 times fiscal 2015's estimated earnings per share of \$2.28 and only 6.9 times fiscal 2016's estimated earnings per share of \$2.36, both of which are very inexpensive compared to its five-year average price-to-earnings multiple of 32.5.

In addition, Transcontinental pays a quarterly dividend of \$0.17 per share, or \$0.68 per share annually, giving its stock a 4.2% yield at today's levels. It is also worth noting that the company has increased its annual dividend payment for 13 consecutive years, and its consistent free cash flow generation could allow this streak to continue for the next several years at least.

#### 2. Thomson Reuters Corporation

**Thomson Reuters Corporation** ([TSX:TRI](#))(NYSE:TRI) is the world's leading source of intelligent information for business and professionals. At current levels, its stock trades at just 23.9 times fiscal 2015's estimated earnings per share of \$2.02 and only 21 times fiscal 2016's estimated earnings per share of \$2.30, both of which are very inexpensive compared to its five-year average price-to-earnings multiple of 42.6.

Additionally, Thomson Reuters pays a quarterly dividend of \$0.335 per share, or \$1.34 per share annually, which its stock a 2.8% yield at current levels. The company has also increased its annual dividend payment for 22 consecutive years, making it one of the top dividend growth plays in the market.

#### 3. WestJet Airlines

**WestJet Airlines Ltd.** (TSX:WJA) is one of the largest airline companies in North America. At today's levels, its stock trades at just 8 times fiscal 2015's estimated earnings per share of \$3.32 and only 7.6 times fiscal 2016's estimated earnings per share of \$3.46, both of which are very inexpensive compared to its five-year average price-to-earnings multiple of 13.8.

In addition, WestJet pays a quarterly dividend of \$0.14 per share, or \$0.56 per share annually, giving its stock a 2.1% yield at today's levels. Investors should also note that the company has increased its dividend five times in the last three years, and its increased amount of free cash flow could allow for

another increase in the very near future.

### Which of these stocks belong in your portfolio?

Transcontinental, Thomson Reuters, and WestJet Airlines represent three of the best long-term investment opportunities in the market today. Foolish investors should take a closer look and strongly consider establishing positions in one or more of them.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NASDAQ:TRI (Thomson Reuters)
2. TSX:TCL.A (Transcontinental Inc.)
3. TSX:TRI (Thomson Reuters)

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