



## 3 Cheap Dividend-Paying Stocks I'd Buy With an Extra \$5,000

### Description

Finding the right stock at the right price can be a very difficult task. This we can all agree on. In order to make things easier for you, I have compiled a list of three dividend-paying stocks that are trading at inexpensive forward valuations compared with their five-year averages, so let's take a closer look at each to determine which one would fit best in your portfolio.

#### 1. SNC-Lavalin Group Inc.

**SNC-Lavalin Group Inc.** (TSX:SNC) is one of the world's largest engineering and construction companies. At today's levels, its stock trades at 20.6 times fiscal 2015's estimated earnings per share of \$2.11 and 14.8 times fiscal 2016's estimated earnings per share of \$2.94, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 43.7. In addition, the company pays a quarterly dividend of \$0.25 per share, or \$1.00 per share annually, giving its stock a 2.3% yield.

#### 2. Peyto Exploration & Development Corp.

**Peyto Exploration & Development Corp.** ([TSX:PEY](#)) is one of the largest explorers and producers of unconventional natural gas in Alberta, Canada. At current levels, its stock trades at 28.1 times fiscal 2015's estimated earnings per share of \$1.11 and 21.7 times fiscal 2016's estimated earnings per share of \$1.44, the latter of which is inexpensive compared with its five-year average price-to-earnings multiple of 26.5. Additionally, the company pays a monthly dividend of \$0.11 per share, or \$1.32 per share annually, which gives its stock a 4.2% yield.

#### 3. Canam Group Inc.

**Canam Group Inc.** (TSX:CAM) is the largest fabricator of steel components in North America. At today's levels, its stock trades at 12.9 times fiscal 2015's estimated earnings per share of \$1.07 and 10.5 times fiscal 2016's estimated earnings per share of \$1.32, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 26. In addition, the company pays a quarterly dividend of \$0.04 per share, or \$0.16 per share annually, giving its stock a 1.15% yield.

## Does one of these stocks belong in your portfolio?

SNC-Lavalin Group, Peyto Exploration, and Canam Group are three very inexpensive investment options in the market today. Foolish investors should strongly consider establishing positions in one of them.

### CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing
4. Metals and Mining Stocks
5. Stocks for Beginners

### TICKERS GLOBAL

1. TSX:ATRL (SNC-Lavalin Group)
2. TSX:PEY (Peyto Exploration & Development Corp)

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