



## 3 Cheap Dividend Stocks to Buy and Hold Forever

### Description

As many investors know, it can be very difficult finding the right stock at the right price when we are ready to buy. In order to make things easy for you, I have compiled a list of three dividend-paying stocks that are trading at inexpensive forward valuations compared to their five-year averages, so let's take a closer look at each to determine which would be the best fit for your portfolio.

#### 1. ATCO Ltd.

**ATCO Ltd.** ([TSX:ACO.X](#)) is a diversified global corporation, with nine principal subsidiaries that span five continents, with operations in utilities, energy, structures, and logistics. At today's levels, its stock trades at 13.1 times fiscal 2015's estimated earnings per share of \$2.93 and 11.3 times fiscal 2016's estimated earnings per share of \$3.40, the latter of which is inexpensive compared to its five-year average price-to-earnings multiple of 12.1. Also, the company pays a quarterly dividend of \$0.2475 per share, or \$0.99 per share annually, giving its stock a 2.6% yield.

#### 2. Enercare Inc.

**Enercare Inc.** (TSX:ECI) is one of Canada's largest home and commercial services companies, providing water heaters, furnaces, air conditioners, and other HVAC rental products, protection plans, and related services. At current levels, its stock trades at 29.4 times fiscal 2015's estimated earnings per share of \$0.46 and 22.6 times fiscal 2016's estimated earnings per share of \$0.60, both of which are inexpensive compared to its five-year average price-to-earnings multiple of 450.9. The company also pays a monthly dividend of \$0.07 per share, or \$0.84 per share annually, which gives its stock a 6.2% yield.

#### 3. Morneau Shepell Inc.

**Morneau Shepell Inc.** (TSX:MSI) is the largest provider of human resources consulting and outsourcing services in Canada. At today's levels, its stock trades at 19.7 times fiscal 2015's estimated earnings per share of \$0.82 and 15.9 times fiscal 2016's estimated earnings per share of \$1.02, both of which are inexpensive compared to its five-year average price-to-earnings multiple of 32.7. In addition, the company pays a monthly dividend of \$0.065 per share, or \$0.78 per share annually,

giving its stock a 4.8% yield.

### Should you buy one of these stocks today?

ATCO, Enercare, and Morneau Shepell are three of the most inexpensive dividend-paying stocks in their respective industries. Foolish investors should take a closer look and consider establishing positions in one or more of them today.

### CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

### TICKERS GLOBAL

1. TSX:ACO.X (ATCO Ltd.)

### Category

1. Dividend Stocks
2. Energy Stocks
3. Investing

### Date

2025/08/25

### Date Created

2015/07/27

### Author

jsolitro

default watermark

default watermark