



3 Inexpensive Small-Cap Stocks That Pay Dividends

Description

There are two things you must know about investing. One, dividend-paying stocks outperform non-dividend-paying stocks over the long term, and two, small-cap stocks have the highest growth rates on average. However, it can seem nearly impossible to find a dividend-paying small-cap stock that is trading at inexpensive valuations. Well, I have scoured the market and found three stocks that fit this criteria perfectly, so let's take a closer look at each to determine if you should consider buying one of them today.

1. Whistler Blackcomb Holdings Inc.

Whistler Blackcomb Holdings Inc. (TSX:WB) owns and operates a four-season mountain resort business in British Columbia. At today's levels, its stock trades at 36.4 times fiscal 2015's estimated earnings per share of \$0.55 and 25.7 times fiscal 2016's estimated earnings per share of \$0.78, both of which are inexpensive compared to the industry average price-to-earnings multiple of 41.2. In addition, the company pays a quarterly dividend of \$0.24375 per share, or \$0.975 per share annually, giving its stock a 4.9% yield.

2. North West Company Inc.

North West Company Inc. ([TSX:NWC](#)) is one of the leading retailers to underserved rural communities and urban neighborhood markets in North America. At today's levels, its stock trades at 20.3 times fiscal 2015's estimated earnings per share of \$1.34 and 18 times fiscal 2016's estimated earnings per share of \$1.51, both of which are inexpensive compared to the industry average price-to-earnings multiple of 31.2. Additionally, the company pays a quarterly dividend of \$0.29 per share, or \$1.16 per share annually, giving its stock a 4.3% yield.

3. Gamehost Inc.

Gamehost Inc. ([TSX:GH](#)) owns and operates four casinos in Alberta. At today's levels, its stock trades at 15.1 times fiscal 2015's estimated earnings per share of \$0.75 and 10.8 times fiscal 2016's estimated earnings per share of \$1.05, both of which are inexpensive compared to the industry average price-to-earnings multiple of 27.2. Also, the company pays a monthly dividend of \$0.0733 per

share, or \$0.88 per share annually, giving its stock a 7.75% yield.

Should you add one of these stocks to your portfolio?

Whistler Blackcomb, North West Company, and Gamehost are three of the most attractive dividend-paying small-cap stocks in the market today. Foolish investors may want to consider establishing small positions in one or more of them.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:GH (Gamehost)
2. TSX:NWC (The North West Company Inc.)

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