



## 3 Stocks That Could Widely Outperform Their Industries

### Description

One thing many investors can agree on is that it is not always easy finding the right stock at the right price when we are ready to buy. However, the recent downturn in the market has created a plethora of opportunities. Let's take a look at three stocks that are now trading at inexpensive valuations compared with their industry averages, so you can decide which would be the best fit for your portfolio.

#### 1. Power Corporation of Canada

**Power Corporation of Canada** ([TSX:POW](#)) is one of the world's largest diversified international holding companies. At today's levels, its stock trades at 8.8 times fiscal 2015's estimated earnings per share of \$3.18 and 8.8 times fiscal 2016's estimated earnings per share of \$3.17, both of which are inexpensive compared with its industry average price-to-earnings multiple of 23.1.

In addition, the company pays a quarterly dividend of \$0.31125 per share, or \$1.245 per share annually, giving its stock a 4.4% yield.

#### 2. Enerflex Ltd.

**Enerflex Ltd.** ([TSX:EFX](#)) is one of the world's largest single-source suppliers of natural gas compression, oil and gas processing, refrigeration systems, and electric power equipment. At current levels, its stock trades at 11.8 times fiscal 2015's estimated earnings per share of \$1.08 and 13.5 times fiscal 2016's estimated earnings per share of \$0.95, both of which are inexpensive compared with its industry average multiple of 21.9.

Also, the company pays a quarterly dividend of \$0.085 per share, or \$0.34 per share annually, which gives its stock a 2.7% yield.

#### 3. Industrial Alliance Insurance and Financial Services Inc.

**Industrial Alliance Insur. & Fin. Ser.** ([TSX:IAG](#)) is one of the largest providers of life and health insurance products in Canada. At today's levels, its stock trades at nine times fiscal 2015's estimated earnings per share of \$4.45 and 9.1 times fiscal 2016's estimated earnings per share of \$4.42, both of

which are inexpensive compared with its industry average price-to-earnings multiple of 23.1.

Additionally, the company pays a quarterly dividend of \$0.30 per share, or \$1.20 per share annually, giving its stock a 3% yield.

### **Which of these stocks should you buy today?**

Power Corporation, Enerflex, and Industrial Alliance are three of the most attractive value plays in their respective industries, and all have the added benefit of dividend yields of over 2.5%. Foolish investors should consider scaling in to long-term positions in at least one of them today.

### **CATEGORY**

1. Investing

### **TICKERS GLOBAL**

1. TSX:EFX (Enerflex Ltd.)
2. TSX:IAG (iA Financial Corporation Inc.)
3. TSX:POW (Power Corporation of Canada)

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