



Boost Your Portfolio's Growth With 1 of These 3 Small Caps

Description

As Foolish investors know, small-cap stocks have historically earned higher returns than mid caps or large caps, and this means that picking the right one at the right price could result in huge returns for your portfolio. With this in mind, let's take a look at three dividend-paying small caps that are trading inexpensive forward valuations, so you can decide if you should invest in one of them today.

1. Intertape Polymer Group: \$860.1 million market cap

(All figures are in U.S. dollars)

Intertape Polymer Group ([TSX:ITP](#)) is one of the world's largest manufacturers of specialty packaging products, including pressure-sensitive and water-activated tapes, polyethylene, and specialized polyolefin films.

At today's levels, its stock trades at just 17.2 times fiscal 2015's estimated earnings per share of \$0.84 and only 13.9 times fiscal 2016's estimated earnings per share of \$1.04, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 26.2 and its industry average multiple of 32.3.

In addition, Intertape pays a quarterly dividend of \$0.13 per share, or \$0.52 per share annually, giving its stock a 4.3% yield. Investors should also note that it has increased its dividend for two consecutive years.

2. Canam Group Inc.: \$593.6 million market cap

Canam Group Inc. ([TSX:CAM](#)) is the largest fabricator of steel components in North America, and it takes part in an average of 10,000 construction projects per year.

At current levels, its stock trades at just 13.4 times fiscal 2015's estimated earnings per share of \$1.05 and only 10.7 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 42.2 and its industry average multiple of 26.5.

Additionally, Canam pays a quarterly dividend of \$0.04 per share, or \$0.16 per share annually, giving its stock a 1.1% yield. It is also important to note that it has maintained this quarterly rate since it reinstated its dividend in the fourth quarter of 2013.

3. Cascades Inc.: \$853.4 million market cap

Cascades Inc. ([TSX:CAS](#)) is the largest recycled paper collector in Canada, and it is a leader in the production and conversion of corrugated products, tissue paper, and specialty products in North America.

At today's levels, its stock trades at just 9.7 times fiscal 2015's estimated earnings per share of \$0.93 and a mere eight times fiscal 2016's estimated earnings per share of \$1.13, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 40.2 and its industry average multiple of 18.7.

In addition, Cascades pays a quarterly dividend of \$0.04 per share, or \$0.16 per share annually, which gives its stock a 2.1% yield. Investors should also note that it has maintained this quarterly rate for over a decade.

Which of these small caps should you invest in today?

Intertape Polymer, Canam, and Cascades are three of the most attractive small-cap investment options in their respective industries, and all have the added benefit of dividends. Foolish investors should take a closer look and consider initiating positions in one of them today.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:CAS (Cascades Inc.)
2. TSX:ITP (Intertape Polymer Group)

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