



## 3 Stocks That Can Add Value to Your Portfolio

### Description

As many investors have learned the hard way, it can be very difficult to find the right stock at the right price when you are ready to make a purchase. Lucky for you, I have done the hard part and found three stocks that are trading at inexpensive valuations, so let's take a closer look to determine which would fit best in your portfolio.

#### 1. Stantec Inc.

**Stantec Inc.** ([TSX:STN](#))([NYSE:STN](#)) is one of the world's leading providers of architectural, engineering, and environmental services.

At today's levels, its stock trades at just 17.3 times fiscal 2015's estimated earnings per share of \$1.85 and only 14.8 times fiscal 2016's estimated earnings per share of \$2.16, both of which are inexpensive compared with its trailing 12-month price-to-earnings multiple of 18, its five-year average multiple of 31.7, and its industry average multiple of 24.

I think Stantec's stock could consistently command a fair multiple of at least 20, which would place its shares upwards of \$43 by the conclusion of fiscal 2016, representing upside of more than 34% from current levels.

In addition, the company pays a quarterly dividend of \$0.105 per share, or \$0.42 per share annually, giving its stock a 1.3% yield.

#### 2. Canadian Imperial Bank of Commerce

**Canadian Imperial Bank of Commerce** ([TSX:CM](#))([NYSE:CM](#)) is the fifth-largest bank in Canada, with approximately \$457.8 billion in total assets.

At current levels, its stock trades at just 10.4 times fiscal 2015's estimated earnings per share of \$9.43 and only 10.2 times fiscal 2016's estimated earnings per share of \$9.68, both of which are inexpensive compared with its trailing 12-month price-to-earnings multiple of 11, its five-year average multiple of 11.2, and its industry average multiple of 12.5.

I think CIBC's stock could consistently command a fair multiple of at least 12, which would place its shares upwards of \$116 by the conclusion of fiscal 2016, representing upside of more than 17% from today's levels.

Also, the company pays a quarterly dividend of \$1.12 per share, or \$4.48 per share annually, which gives its stock a 4.55% yield.

### **3. MTY Food Group Inc.**

**MTY Food Group Inc.** ([TSX:MTY](#)) is one of the largest franchisers and operators of quick-serve restaurants in Canada under numerous banners, including Big Smoke Burger, Tiki-Ming, La Cremiere, Yogen Fruz, and Taco Time.

At today's levels, its stock trades at just 19.2 times fiscal 2015's estimated earnings per share of \$1.60 and only 18.8 times fiscal 2016's estimated earnings per share of \$1.64, both of which are inexpensive compared with its trailing 12-month price-to-earnings multiple of 20.7, its five-year average multiple of 20.9, and its industry average multiple of 44.

I think MTY's stock could consistently command a fair multiple of at least 22, which would place its shares upwards of \$36 by the conclusion of fiscal 2016, representing upside of more than 17% from current levels.

Additionally, the company pays a quarterly dividend of \$0.10 per share, or \$0.40 per share annually, giving its stock a 1.3% yield.

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

Stantec, Canadian Imperial Bank of Commerce, and MTY Food Group are three of the top value plays in their respective industries, and all have the added benefit of dividends. Foolish investors should strongly consider making one of them a core holding.

### **CATEGORY**

1. Investing

### **TICKERS GLOBAL**

1. NYSE:CM (Canadian Imperial Bank of Commerce)
2. NYSE:STN (Stantec Inc.)
3. TSX:CM (Canadian Imperial Bank of Commerce)
4. TSX:MTY (MTY Food Group)
5. TSX:STN (Stantec Inc.)

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