3 Top Value Plays for Long-Term Investors

Description

If you're looking to add a value-based investment to your portfolio, you've come to the right place. I've scoured the market and found three stocks from three different industries that are trading at inexpensive valuations compared with their five-year and industry averages, so let's take a quick look to determine if one or more of them could fulfill your portfolio's needs.

1. National Bank of Canada

National Bank of Canada (TSX:NA) is Canada's sixth-largest bank with approximately $216.1 billion in total assets.

At today's levels, its stock trades at just 8.6 times fiscal 2016's estimated earnings per share of $4.76 and only 8.1 times fiscal 2017's estimated earnings per share of $5.05, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 10.1 and its industry average multiple of 12.9.

At the very least, I think National Bank's stock should trade at 10 times earnings, which would place its shares upwards of $50 by the conclusion of fiscal 2017, representing upside of more than 22% from current levels.

Also, the company pays a quarterly dividend of $0.54 per share, or $2.16 per share annually, giving its stock a 5.3% yield.

2. Cameco Corporation

Cameco Corporation (TSX:CCO)(NYSE:CCJ) is one of the world's largest producers of uranium, providing about 16% of the world's total production, and it is one of the leading providers of nuclear fuel processing services.

At today's levels, its stock trades at just 16.5 times fiscal 2015's estimated earnings per share of $1.05 and only 12.9 times fiscal 2016's estimated earnings per share of $1.34, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 100.8 and its industry average multiple of 21.7.

At the very least, I think Cameco's stock should trade at 18 times earnings, which would place its shares upwards of $24 by the conclusion of fiscal 2016, representing upside of more than 38% from current levels.

In addition, the company pays a quarterly dividend of $0.10 per share, or $0.40 per share annually, giving its stock a 2.3% yield.

3. Concordia Healthcare Corp.

(All figures are in U.S. dollars)

Concordia Healthcare Corp. (TSX:CXR)(NASDAQ:CXRX) is a diverse healthcare company focused on legacy pharmaceutical products and orphan drugs.

At today's levels, its stock trades at just 8.7 times fiscal 2015's estimated earnings per share of $4.50 and a mere 6.2 times fiscal 2016's estimated earnings per share of $6.37, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 149.3 and its industry average multiple of 31.2.

At the very last, I think Concordia's stock should trade at eight times earnings, which would place its shares around $51 by the conclusion of fiscal 2016, representing upside of more than 30% from current levels.

Also, the company pays a quarterly dividend of $0.075 per share, or $0.30 per share annually, giving its stock a 0.8% yield.

Should one of these stocks be atop your buy list?

National Bank of Canada, Cameco, and Concordia Healthcare are three of the top value plays in their respective industries. Foolish investors should strongly consider establishing positions in one of them today.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:CCJ (Cameco Corporation)
2. TSX:CCO (Cameco Corporation)
3. TSX:NA (National Bank of Canada)

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jsolitro