



3 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 different industries that are trading at inexpensive valuations compared with their five-year and industry averages, so let's take a quick look at each to determine if you should buy one of them today.

1. TransCanada Corporation

TransCanada Corporation ([TSX:TRP](#))([NYSE:TRP](#)) is one of the largest owners and operators of energy infrastructure assets in North America, including natural gas pipelines, crude oil pipelines, power generation facilities, and natural gas storage facilities.

At today's levels, its stock trades at just 19.8 times fiscal 2016's estimated earnings per share of \$2.54 and only 17.8 times fiscal 2017's estimated earnings per share of \$2.82, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 21.7 and its industry average multiple of 37.4.

In addition, TransCanada pays a quarterly dividend of \$0.565 per share, or \$2.26 per share annually, which gives its stock a yield of about 4.5%. Investors must also note that the company's 8.7% dividend hike in February has it on pace for 2016 to mark the 16th consecutive year in which it has raised its annual dividend payment.

2. CAE Inc.

CAE Inc. ([TSX:CAE](#))([NYSE:CAE](#)) is a global leader in the sale of simulation technologies and the delivery of training for the civil aviation, defence and security, and healthcare industries.

At today's levels, its stock trades at just 17.4 times fiscal 2016's estimated earnings per share of \$0.85 and only 16.1 times fiscal 2017's estimated earnings per share of \$0.91, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 18.3 and its industry average multiple of 43.1.

In addition, CAE pays a quarterly dividend of \$0.075 per share, or \$0.30 per share annually, which gives its stock a yield of about 2%. Investors must also note that the company's 7.1% dividend hike in August 2015 has it on pace for fiscal 2016 to mark the ninth consecutive year in which it has raised its annual dividend payment.

3. AGT Food and Ingredients Inc.

AGT Food and Ingredients Inc. ([TSX:AGT](#)) is one of the world's largest suppliers of value-added pulses, staple foods, and food ingredients, including lentils, peas, beans, rice, pasta, and wheat.

At today's levels, its stock trades at just 16.2 times fiscal 2016's estimated earnings per share of \$2.39 and only 13.6 times fiscal 2017's estimated earnings per share of \$2.86, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 80.5 and its industry average multiple of 28.2.

In addition, AGT pays a quarterly dividend of \$0.15 per share, or \$0.60 per share annually, which gives its stock a yield of about 1.55%. Investors should also note that the company has maintained this annual rate since 2012.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:CAE (CAE Inc.)
2. NYSE:TRP (Tc Energy)
3. TSX:CAE (CAE Inc.)
4. TSX:TRP (TC Energy Corporation)

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