



## 3 Cheap Mid Caps With Great Dividends to Buy Today

### Description

As a fundamental investor, I'm always on the lookout for high-quality companies whose stocks are trading at discounted levels and have great dividends, and after a recent search of the market, three mid caps caught my eye. Let's take a quick look at each, so you can determine if you should add one of them to your portfolio.

#### 1. WSP Global Inc.

**WSP Global Inc.** ([TSX:WSP](#)) is one of the world's largest professional consulting firms with a focus on engineering.

Its stock currently trades at just 16.6 times fiscal 2016's estimated earnings per share of \$2.47 and only 14.7 times fiscal 2017's estimated earnings per share of \$2.79, both of which are inexpensive compared with its five-year average multiple of 26.3 and its industry average multiple of 21.3.

In addition, WSP pays a quarterly dividend of \$0.375 per share, or \$1.50 per share annually, which gives its stock a yield of about 3.7%. Investors should also note that it has maintained this annual dividend rate since 2012, and I think its strong free cash flow generation, including \$7.4 million in the first quarter, will allow it to continue to do so going forward.

#### 2. Empire Company Limited

**Empire Company Limited** ([TSX:EMP.A](#)) is one of Canada's largest owners and operators of grocery stores through its Sobeys' banner, and it owns a 41.5% stake in **Crombie Real Estate Investment Trust**, one of the country's largest owners of commercial real estate.

Its stock currently trades at just 14.4 times fiscal 2016's estimated earnings per share of \$1.49 and only 13.6 times fiscal 2017's estimated earnings per share of \$1.58, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 15.7 and its industry average multiple of 25.3.

In addition, Empire pays a quarterly dividend of \$0.10 per share, or \$0.40 per share annually, which

gives its stock a yield of about 1.9%. A 1.9% yield may not seem impressive at first, but investors must also note that it has raised its annual dividend payment for 20 consecutive years, and its 11.1% hike in June 2015 has it on pace for fiscal 2016 to mark the 21st consecutive year with an increase.

### 3. Gildan Activewear Inc.

**Gildan Activewear Inc.** ([TSX:GIL](#))([NYSE:GIL](#)) is one of world's largest manufacturers and distributors of apparel products, and it's brands include Gildan, Kushyfoot, and Comfort Colors.

Its stock currently trades at just 18.8 times fiscal 2016's estimated earnings per share of US\$1.58 and only 15.8 times fiscal 2017's estimated earnings per share of US\$1.88, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 22.8 and its industry average multiple of 25.1.

In addition, Gildan pays a quarterly dividend of US\$0.078 per share, or US\$0.312 per share annually, which gives its stock a yield of about 1.05%. A 1.05% yield may not seem like much at first, but investors must also note that it has raised its annual dividend payment for three consecutive years, and its 20% hike in February has it on pace for 2016 to mark the fourth consecutive year with an increase.

#### CATEGORY

1. Dividend Stocks
2. Investing

#### TICKERS GLOBAL

1. NYSE:GIL (Gildan Activewear Inc.)
2. TSX:EMP.A (Empire Company Limited)
3. TSX:GIL (Gildan Activewear Inc.)

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#### Date

2025/08/24

#### Date Created

2016/05/12

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