



4 Cheap Stocks That Should Be on Your Radar

Description

As a value investor, I spend several hours each day scouring the market to find great companies whose stocks are trading at discounted levels. There are many different ways to find discounted stocks, but one of my preferred methods is to look for those that are trading at price-to-earnings multiples that are below their recent averages.

I've done just that and found four great investment opportunities, so let's take a quick look at each to determine if you should buy one or more of them today.

1. Power Financial Corp.

Power Financial Corp. (TSX:PWF) is a diversified management and holding company with interests in companies in the financial services industries around the world, and its principal subsidiaries include **Great-West Lifeco Inc.** and **IGM Financial Inc.**

At today's levels, its stock trades at just 10.2 times fiscal 2016's estimated earnings per share of \$3.03 and only 9.2 times fiscal 2017's estimated earnings per share of \$3.38, both of which are inexpensive compared with its trailing 12-month price-to-earnings multiple of 11.1 and its five-year average multiple of 11.8.

In addition, the company pays a quarterly dividend of \$0.3925 per share, or \$1.57 per share annually, which gives its stock a yield of about 5.1%. It's also important to note that its 5.4% dividend hike in March has it on pace for 2016 to mark the second consecutive year in which it has raised its annual dividend payment.

2. Open Text Corporation

Open Text Corporation (TSX:OTC)([NASDAQ:OTEX](#)) is one of the world's leading providers of enterprise information management, including content management, business process management, and customer experience management.

Its stock currently trades at just 16.6 times 2016's estimated earnings per share of US\$3.59 and only

15 times fiscal 2017's estimated earnings per share of US\$3.95, both of which are inexpensive compared with its trailing 12-month price-to-earnings multiple of 27.2 and its five-year average multiple of 27.3.

In addition, the company pays a quarterly dividend of US\$0.23 per share, or US\$0.92 per share annually, which gives its stock a yield of about 1.55%. It's also important to note that its two dividend hikes since the start of 2015, including its 15% hike in April, have it on pace for 2016 to mark the third consecutive year in which it has raised its annual dividend payment.

3. Whistler Blackcomb Holdings Inc.

Whistler Blackcomb Holdings Inc. (TSX:WB) owns a 75% interest in each of Whistler Mountain Resort Limited Partnership and Blackcomb Skiing Enterprises Limited Partnership, which together operate a four-season mountain resort business in British Columbia.

Its stock currently trades at just 24.6 times fiscal 2016's estimated earnings per share of \$1.02 and only 21.9 times fiscal 2017's estimated earnings per share of \$1.15, both of which are inexpensive compared with its trailing 12-month price-to-earnings multiple of 25.5 and its five-year average multiple of 38.9.

In addition, the company pays a quarterly dividend of \$0.24375 per share, or \$0.975 per share annually, which gives its stock a yield of about 3.9%. It's also important to note that it has maintained this annual dividend rate since it went public in 2010.

4. Badger Daylighting Ltd.

Badger Daylighting Ltd. (TSX:BAD) is North America's leading provider of non-destructive hydrovac excavation services, working with contractors, engineers, and facility owners in numerous industries across the United States and Canada.

Its stock currently trades at just 24 times fiscal 2016's estimated earnings per share of \$0.90 and only 17.2 times fiscal 2017's estimated earnings per share of \$1.25, both of which are inexpensive compared with its trailing 12-month price-to-earnings multiple of 26.3 and its five-year average multiple of 34.5.

In addition, the company pays a monthly dividend of \$0.033 per share, or \$0.396 per share annually, which gives its stock a yield of about 1.8%. It's also important to note that its 10% dividend hike last month has it on pace for 2016 to mark the first year in which it has raised its annual dividend payment since 2013.

CATEGORY

1. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NASDAQ:OTEX (Open Text Corporation)
2. TSX:BDGI (Badger Infrastructure Solutions Ltd.)
3. TSX:OTEX (Open Text Corporation)

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