Value Investors: 3 Stocks to Consider Today

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 low price-to-earnings multiples compared with their five-year and industry averages.

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

1. Laurentian Bank of Canada

Laurentian Bank of Canada (TSX:LB) is one of Canada's largest banking institutions with operations across the country and approximately $41 billion in assets as of April 30, 2016.

At current levels, its stock trades at just 8.5 times fiscal 2016's estimated earnings per share of $5.71 and only 8.2 times fiscal 2017's estimated earnings per share of $5.91, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 11 and its industry average multiple of 13.7.

In addition, Laurentian Bank pays a quarterly dividend of $0.60 per share, or $2.40 per share annually, giving its stock a yield of about 4.9%. Investors must also note that its three dividend hikes since the start of 2015, including its 3.5% hike last month, have it on pace for 2016 to mark the ninth consecutive year in which it has raised its annual dividend payment.

2. Aimia Inc.

Aimia Inc. (TSX:AIM) is one of the world's largest data-driven marketing and loyalty analytics companies. It provides its clients with the customer insights they need in order to make smarter business decisions and to build long-term relationships, and its subsidiaries include Aeroplan, Cardlytics, Nectar, and Club Premier.

At current levels, its stock trades at just 10.3 times fiscal 2016's estimated earnings per share of $0.78

and only 8.5 times fiscal 2017’s estimated earnings per share of $0.95, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 56.5 and its industry average multiple of 22.2.

In addition, Aimia pays a quarterly dividend of $0.20 per share, or $0.80 per share annually, giving its stock a yield of about 9.9%. Investors must also note that its two dividend hikes since the start of 2015, including its 5.3% hike in May, have it on pace for 2016 to mark the sixth consecutive year in which it has raised its annual dividend payment.

3. Sun Life Financial Inc.

Sun Life Financial Inc. (TSX:SLF)(NYSE:SLF) is one of the world’s leading providers of protection and wealth products and services to individuals and corporate customers, including life, health, dental, and disability insurance. It has more than 37 million clients around the world and approximately $860.5 billion in assets under management as of March 31, 2016.

At current levels, its stock trades at just 11 times fiscal 2016’s estimated earnings per share of $3.78 and only 10.3 times fiscal 2017’s estimated earnings per share of $4.05, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 17.1 and its industry average multiple of 18.4.

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In addition, Sun Life pays a quarterly dividend of $0.405 per share, or $1.62 per share annually, giving its stock a yield of about 3.9%. Investors must also note that its three dividend hikes since the start of 2015, including its 3.8% hike in May, have it on pace for 2016 to mark the second consecutive year in which it has raised its annual dividend payment.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. TSX:AIM (Aimia Inc.)
2. TSX:LB (Laurentian Bank of Canada)
3. TSX:SLF (Sun Life Financial Inc.)

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