

2 Undervalued Dividend Dynamos I'd Buy Today

Description

If you're on the hunt for undervalued stocks with great dividends to buy and hold for decades, then I have two that I think you will love. Let's take a closer look at each, so you can determine if you should invest in one or both of them today.

Laurentian Bank of Canada

Laurentian Bank of Canada ([TSX:LB](#)) is a Canadian financial institution. It provides a wide range of financial products and services to over a half-million clients across the country, and as of April 30, it had about \$45.4 billion in balance sheet assets.

At today's levels, Laurentian Bank's stock trades at just 9.3 times fiscal 2017's estimated earnings per share of \$5.81 and a mere 8.7 times fiscal 2018's estimated earnings per share of \$6.21, both of which are very inexpensive compared with its five-year average price-to-earnings multiple of 11.65.

In addition, Laurentian Bank pays a quarterly dividend of \$0.62 per share, equal to \$2.48 per share on an annualized basis, giving it a yield of about 4.6% today. It has also raised its annual dividend payment for nine consecutive years, and its recent hikes, including its 1.6% hike in May, have it positioned for 2017 to mark the 10th consecutive year with an increase.

Aecon Group Inc.

Aecon Group Inc. ([TSX:ARE](#)) is a leading provider of construction and infrastructure development services in Canada. It caters to all aspects of the construction process, including design, engineering, construction, and financing.

At today's levels, Aecon's stock trades at just 18.9 times fiscal 2017's estimated earnings per share of \$0.83 and only 14.5 times fiscal 2018's estimated earnings per share of \$1.08, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 23.3.

Additionally, Aecon pays a quarterly dividend of \$0.125 per share, representing \$0.50 per share on an annualized basis, which gives its stock a yield of about 3.2% today. Investors must also note that it has raised its annual dividend payment for five consecutive years, and its 8.7% hike in March has it positioned for 2017 to mark the sixth consecutive year with an increase.

Which of these stocks belongs in your portfolio?

Laurentian Bank and Aecon Group are undervalued, have high yields, and have track records of growing their dividends, making them strong buys, in my opinion. Foolish investors should take a closer look at each and strongly consider initiating a position in at least one of them today.

CATEGORY

1. Dividend Stocks

2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. TSX:ARE (Aecon Group Inc.)
2. TSX:LB (Laurentian Bank of Canada)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Yahoo CA

Category

1. Dividend Stocks
2. Investing

Tags

1. Editor's Choice

Date

2025/08/25

Date Created

2017/06/22

Author

jsolitro

default watermark

default watermark