



2 Top Dividend Stocks on Sale

Description

As many investors can attest, finding the right stock at the right price can be a very difficult task, and it can seem nearly impossible to find one that is both undervalued and has a great dividend. Fortunately for you, I've done the hard part and found two great opportunities, so let's take a closer look at each to determine which would fit best in your portfolio.

IGM Financial Inc.

IGM Financial Inc. ([TSX:IGM](#)) is one of Canada's "premier" financial services companies, and one of its largest managers and distributors of mutual funds and other managed asset products with about \$148.2 billion in assets under management as of June 30, 2017. Its principal subsidiaries include Investors Group Inc., Mackenzie Financial Corporation, and Investment Planning Council Inc.

At today's levels, IGM's stock trades at just 12.4 times fiscal 2017's estimated earnings per share (EPS) of \$3.25 and only 11.6 times fiscal 2018's estimated EPS of \$3.49, both of which are very inexpensive compared with its five-year average price-to-earnings (P/E) multiple of 14.2.

On top of trading at very attractive valuations, IGM has a fantastic dividend. It currently pays a quarterly dividend \$0.5625 per share, equal to \$2.25 per share annually, which gives it a 5.6% yield today. It's also important to note that the company has raised its annual dividend payment twice in the last three years, and I think its very strong growth of operating cash flow net of commissions paid, including its 282.6% year-over-year increase to \$116.7 million in the first quarter of 2017, will allow it to announce another dividend increases in the very near future.

Corus Entertainment Inc.

Corus Entertainment Inc. ([TSX:CJR.B](#)) is one of the world's leading media and content companies with a portfolio of multimedia assets that includes 45 specialty television stations, 39 radio stations, 15 conventional television stations, a global content business, and digital assets.

At today's levels, Corus's stock trades at just 12.6 times fiscal 2017's estimated EPS of \$1.09 and only 11.9 times fiscal 2018's estimated EPS of \$1.16, both of which are very inexpensive compared with its

five-year average P/E multiple of 14.4.

In addition to being undervalued, Corus has a great dividend. It currently pays a monthly dividend of \$0.095 per share, representing \$1.14 per share on an annualized basis, which gives it a juicy 8.3% yield today. Investors must also note that Corus has raised its annual dividend payment for 13 consecutive years, and I think its very strong growth of free cash flow, including its 67.6% year-over-year increase to \$212.46 million in the first nine months of fiscal 2017, will allow this streak to continue in 2017 and beyond.

Which of these top stocks belongs in your portfolio?

IGM Financial and Corus Entertainment are undervalued and have great dividends, making them strong buys in my book. Foolish investors should take a closer look at each and strongly consider making one of them a core holding today.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:CJR.B (Corus Entertainment Inc.)
2. TSX:IGM (IGM Financial Inc.)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

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