



2 Undervalued Stocks With Excellent Dividends to Buy Now

Description

If you're on the hunt for an undervalued stock with a great dividend, 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 buy one or both today.

TFI International Inc. ([TSX:TFII](#))

TFI International, formerly known as [TransForce](#), is one of North America's leading transportation and logistics providers with operations across Canada, the United States, and Mexico. Its subsidiaries include Clarke Road Transport, Transport America, Canadian Freightways, Stream Logistics, Canpar Courier, and TForce Final Mile.

At today's levels, TFI International's stock trades at just 16.3 times fiscal 2017's estimated earnings per share (EPS) of \$2.06 and only 14.5 times fiscal 2018's estimated EPS of \$2.32, both of which are inexpensive compared with its five-year average price-to-earnings (P/E) multiple of 24.1; these multiples are also inexpensive given the growing demand for transportation and logistics services, which I think can be attributed to the very strong growth in e-commerce.

In addition to being undervalued, TFI International has a great dividend. It currently pays a quarterly dividend of \$0.21 per share, equal to \$0.84 per share on an annualized basis, which gives it a yield of about 2.5%.

You can definitely find higher dividend yields in other areas of the market, but what you must remember is that TFI International offers dividend growth; fiscal 2017 marked the seventh consecutive year in which it had raised its annual dividend payment, and its 10.5% hike last month has it on track for 2018 to mark the eighth consecutive year with an increase.

Inter Pipeline Ltd. ([TSX:IPL](#))

Inter Pipeline is one of the largest energy infrastructure companies in Canada and Europe. Its portfolio includes conventional oil, oil sands, and natural gas liquids pipelines, offgas extraction facilities, and fractionation plants in Canada, and petroleum and petrochemical storage terminals in the U.K., Denmark, Sweden, Ireland, and Germany.

Inter Pipeline's stock currently trades at just 17.8 times fiscal 2017's estimated EPS of \$1.46 and only 16.9 times fiscal 2018's estimated EPS of \$1.53, both of which are inexpensive compared with its five-year average P/E multiple of 23.3; these multiples are also inexpensive given the low-risk nature of its cost-of-service and fee-based business model.

On top of being undervalued, Inter Pipeline is one of the best dividend stocks in the market. It currently pays a monthly dividend of \$0.14 per share, representing \$1.68 per share on an annualized basis, which gives it a juicy 6.5% yield. The energy infrastructure giant has also raised its annual dividend payment for nine consecutive years, and [its 3.7% hike](#) in November has it on track for 2018 to mark the 10th consecutive year with an increase, making it both a high-yield and dividend-growth play today.

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1. Dividend Stocks
2. Investing

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