
# These 3 Beat-Up Canadian Dividend Stocks Are Getting a Buy Signal

## Description

Beaten-up high-yielding stocks are a favourite of value investors. Better yet are such stocks that also pay a dividend. The following picks are being touted by some analysts as recommended stocks that should suit investors seeking such qualities.



The industries these stocks represent may surprise you: sugar, linen, and assisted living are not the kinds of areas that usually spring to mind when you think of investing. However, it's likely that these sectors may often conceal interesting and unloved dividend stocks.

But do the individual recommendations hold up to scrutiny? It's time to get out the calculator and start combing through some multiples as we take a look at three Canadian dividend stocks that have seen their share prices take a beating in the past year.

**Rogers Sugar Inc.** (TSX:RSI) recently bought out LB Maple Treat Corp. of Quebec, giving the famous refined sugar distributor access to maple syrup. Rogers Sugar is a familiar brand and should appeal to younger investors for whom visibility tends to be a factor when selecting Canadian stocks to buy and hold.

However, Rogers Sugar is technically a little bit overpriced. Though it boasts sweet multiples – a market-neutral P/E of 17 times earnings, and a P/B ratio of 1.6 times book – it's a few cents over its future cash flow value. Investors eyeing the stock should expect to see undervaluation fairly soon, at which point shares in the sweet stuff would be a tempting treat. Mind you, compared to the other two stocks on this list, it's looking like super good value from over here, and its multiples go a long way to prove that. If you want another reason to buy, read on to the bottom line to check out its dividend.

**Sienna Senior Living Inc.** (TSX:SIA) has been having a good year, and has seen profits and revenue going up. Unfortunately, Sienna Senior Living's P/E of 46.2 times earnings is rather off-putting. Investors looking only at share price activity as an indicator of value should take note. That high P/E ratio also makes Sienna Senior Living's P/B ratio of 1.8 times book feel a little steeper than it would otherwise.

However, interested investors may want to offset these multiples with Sienna Senior Living's 34.3%

expected annual growth in earnings. Also factor in the 20% year-on-year growth in earnings over the past five years, which gives this stock the edge over the other two mentioned here in terms of past performance.

**K-Bro Linen Inc.** (TSX:KBL) has seen its share price fall by more than 25% this year, leading to its current discount of 36% compared to its future cash flow value. But take a closer look at its multiples. While K-Bro Linen has an acceptable PEG of 1.1 times growth, its P/E of 71.5 times earnings is rather disconcerting. K-Bro Linen's P/B of 1.9 of times book isn't too bad, however.

If you're a growth investor, you may be interested to learn that K-Bro Linen is expecting a 63.5% annual growth in earnings. In the end, you'll have to weigh up whether you want to buy a stock at over 70 times what it's earning.

**The bottom line**

If you're looking for beaten-up, high yielding stock, the deciding factor should probably be dividends once you've ascertained that their share prices have been sufficiently winded.

K-Bro Linen is cushioning its lumpy fundamentals with a dividend yield of 3.18%, which is a pleasant surprise from an unusual investment sector. Meanwhile, Sienna Senior Living is paying a venerable 5.51% yield to loyal shareholders. The pick of the bunch, however, has to be Rogers Sugar's candy-coated 6.72% dividend yield. It definitely wins on value, beating out the other two stocks here on P/E and other multiples, making it the soundest buy of the bunch.



**CATEGORY**

1. Dividend Stocks
2. Investing

**TICKERS GLOBAL**

1. TSX:RSI (Rogers Sugar Inc.)
2. TSX:SIA (Sienna Senior Living Inc.)

**PARTNER-FEEDS**

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

**Category**

1. Dividend Stocks
2. Investing

**Date**
2025/08/22
**Date Created**
2018/07/15
**Author**

vhetherington