These 3 Dividend Stocks Are an Absolute Steal!

Description

Value investing is one of the best and safest ways to achieve extraordinary long-term returns. After all, you are aiming to buy assets at big discounts to what they're worth.

Last month, I wrote about the value-stock opportunity in **Intertape Polymer** (TSX:ITP). The stock has appreciated +7% since I recommended it. Most of the action occurred on Monday when Intertape Polymer released its second-quarter results.

For the first half of the year, Intertape Polymer experienced revenue growth of 16.5% to US$486 million compared to the same period in 2017. It also reported adjusted earnings before interest, taxes, depreciation, and amortization growth of 5.4% to US$64.8 million. As well, its diluted earnings per share increased 12.5%.

Despite the pop, at about $18.60 per share, Intertape Polymer still trades at a decent discount from **Thomson Reuters's** mean 12-month target of US$18.20 per share on the stock, which equates to roughly CAD$23.30 based on a conservative foreign exchange of US$1 to CAD$1.28. This target represents 25% near-term upside potential. Not to mention, the stock offers a safe 3.9% dividend yield.

Intertape Polymer has been building facilities to increase production and meet demands. This could lead to growth in 2019 and beyond that could push the stock higher to more normalized levels.

[Manulife Financial](#) ([TSX:MFC](#))([NYSE:MFC](#)) is another dividend stock that has been in the dumps lately. The A-grade stock is trading at near five-year low levels based on its price-to-earnings multiple (P/E).

It has been modernizing the technology for its Canadian business, which should lead to increased productivity. At under $24 per share, Manulife Financial trades at a cheap P/E of about 9.6.

If the company rights the ship, it can trade at a more normalized multiple of near 13, which implies upside potential of about 38%! The international insurer also offers a safe 3.7% dividend yield.

The dip in oil prices has triggered a dip of +14% in **Vermilion Energy** ([TSX:VET](#))([NYSE:VET](#)) stock from its July high. In the low $40s per share, Vermilion Energy is a good value and dividend investment.

Reuters's mean 12-month target of $56.90 per share on the stock represents almost 37% upside near-term potential from the recent quotation of roughly $41.60 per share. Vermilion Energy's juicy 6.6% dividend yield is another reason to consider the stock.

Investor takeaway

When buying value stocks, investors need to be patient, because it could take time for the market to realize the values of the stocks. That's why it's a good idea to invest in dividend stocks, so you earn income while you hold the stocks. Intertape Polymer, Manulife Financial, and Vermilion Energy are value and dividend ideas you should consider today.

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3. TSX:ITP (Intertape Polymer Group)
4. TSX:MFC (Manulife Financial Corporation)
5. TSX:VET (Vermilion Energy Inc.)

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