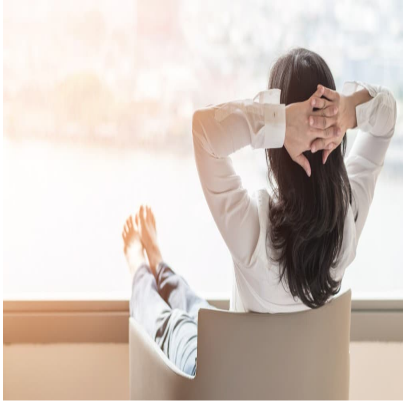

Passive-Income Investors: 3 Dividend Stocks That Are on Sale Today

Description

If you're looking for some good dividend stocks to invest in, the three listed below have all dropped in the past three months. Now could be a great time to lock in some higher yields.

Cineplex (TSX:CGX) has proven that it can withstand challenging industry conditions and still pump out profits for investors. With the rise in online streaming options available to consumers, many people are seeing less of a need to go to the movies. And while investors might assume that the theatre business is doomed, Cineplex has been working on some great new ideas, like its Rec Room, that could attract consumers and generate growth over the long term.

It's still a bit of a long-term play. In Cineplex's most recent quarter, sales were flat year over year. And while that might be a bit disappointing, at the very least, it's not a decline. As a result of the disappointing quarter, the stock has fallen by 11% over the past three months, pushing its high yield even higher; it's now paying shareholders 6.9% annually. While that is a high payout, Cineplex has been consistently generating free cash flow and still has strong fundamentals that could continue to support the dividend.

Computer Modelling Group (TSX:CMG) is a well-diversified company with operations in more than 50 countries around the globe. That has translated into a lot of stability for the company, with revenues falling between $17 million and $19 million over the past five quarters, while also generating a profit along the way. Like Cineplex, this stock also took a dive after releasing quarterly results, which, unfortunately, didn't excite investors, showing modest year-over-year growth of just 4%.

Over the past three months, Computer Modelling's stock has dropped by 13%. The good news for dividend investors is that the stock is now yielding a payout of over 6.8%. And with the stock trading at around 21 times its earnings, it's not a bad value buy, especially as the oil and gas industry starts to pick up again and demand for Computer Modelling's technology could be on the rise. Although the stock has struggled in recent years, high margins and improved market conditions give me hope that the company will be able to turn things around.

North West Company (TSX:NWC) has also seen a double-digit decline in its share price in just three months after a tough quarter. Although the company saw sales rise by more than 8% in its latest earnings report, rising costs during the quarter resulted in a softer profit than in the prior year. Nonetheless, North West is still a dominant retail player that operates in areas with minimal competition. It gives it a big advantage over convention retail stocks, and that's just one of the reasons it's a good buy for investors.

The company also pays a dividend that has increased over the years. And at $0.33 per share, which is paid out every quarter, it currently yields 4.7% and is a higher percentage than it would have been prior to the drop in price. Trading at just 0.7 times sales and a good price-to-earnings multiple of around 15, North West is a good value buy as well.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:CGX (Cineplex Inc.)
2. TSX:CMG (Computer Modelling Group Ltd.)
3. TSX:NWC (The North West Company Inc.)

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