3 Cheap Dividend Stocks to Buy in September

Description

The S&P/TSX Composite Index was up 124 points in early afternoon trading on September 5. North American markets have bounced back nicely in the first trading days of September on the back of positive economic news and some encouraging developments on the trade front. However, there are still several struggling stocks on the TSX.

Today, I want to look at three dividend-paying stocks that still look like a bargain in early September. Let's dive in.

Enerflex

Enerflex (TSX:EFX) is a Calgary-based supplier of products and services to the oil and gas production sector. Shares have dropped 20.6% in 2019 at the time of this writing. The company released its second-quarter 2019 results on August 8.

Revenue rose to $542 million compared to $404.8 million in the prior year, as Enerflex reported improvement across all product lines. Its gross margin improved to $110 million over $72 million in Q2 2018, and EBIT jumped $36 million year over year to $64 million. Enerflex declared a quarterly dividend of $0.105 per share, which represents a 3.4% yield.

Energy stocks have been battered by Alberta's extension of its production curtailment, but this also presents a nice value opportunity for investors. Shares of Enerflex currently boast a favourable price-to-earnings ratio of 8.9 and a price-to-book of 0.8. The stock was technically oversold in late August and early September, but it has gathered momentum on the buy signal. It is not too late for value investors to act.

Ag Growth International

Ag Growth International (TSX:AFN) is a top manufacturer of equipment for the agriculture industry. Its stock has dropped 21% over the past month. This plunge came after the release of its second-quarter earnings.

In that report, Ag Growth reported trade sales worth $293 million compared to $262 million in the prior year. Adjusted profit and diluted profit per share both dipped year over year due to transitory items related to a recent AGI acquisition. Still, sales and adjusted EBITDA remained strong in the face of headwinds for the North American agricultural industry. AGI offers a monthly dividend of $0.2 per share, which represents a tasty 5.8% yield.

The stock boasts a favourable P/E ratio of 17.5 and a P/B of 1.8. Shares had an RSI of 28 at the time of this writing, putting AGI in technically oversold territory.

Pason Systems

Pason Systems (TSX:PSI) is another Calgary-based company in the energy sector. It is an oilfield specialist with drilling data solutions. Shares have plunged 16% over the past three months.

In the second quarter, Pason saw revenues climb 7% year over year to $72.8 million. Revenue in its key Drilling Data segment, which makes up 54% of its total, increased 11% from the prior year. Adjusted EBITDA rose 4% to $30.6 million and free cash flow increased 41% to $32.5 million. The company announced an increase in its quarterly cash dividend to $0.19 per share. This represents a solid 4.7% yield.

Shares of Pason possess a solid P/E ratio of 18.7 but a high P/B of 3.6. It spent the bulk of August in technically oversold territory but has started to gain momentum in early September. Like Enerflex, it is not too late to jump in on this dividend stock in the energy sector.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:AFN (Ag Growth International)
2. TSX:EFX (Enerflex Ltd.)
3. TSX:PSI (Pason Systems Inc.)

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

Category

1. Dividend Stocks
2. Investing

Date
2025/08/18
Date Created
2019/09/08
Author
aocallaghan