



2 High-Dividend Canadian Stocks That Could Help You Retire Wealthy

Description

When sellers spot a weakness in a stock, they hammer it in. The stock is left gasping for breath, as it gets caught in a bear hug. When the bears finally loosen their grip, you realize that the market has squeezed the prey too much. Smart investors use this period to pick up the company at a very attractive valuation.

Mullen Group

Mullen Group ([TSX:MTL](#)) is currently in this situation. It owns a network of independently operated businesses in the trucking space. The company is recognized as one of the leading suppliers of trucking and logistics services in Canada and provides a wide range of specialized transportation and related services to the oil and natural gas industry in western Canada.

The stock offers a forward dividend yield of 7.43% which makes it very attractive to shareholders. The stock is currently trading at \$8.03, and the 11 analysts who tracked the stock in November have given it an average target price of \$11.58. That's an upside of over 40%.

Mullen Group operates a diversified business model combined with a highly adaptable and variable cost structure. The financial results for the three-month period ended September 30, 2019, are below.

The company generated consolidated revenue of \$325.3 million (up from \$319 million in the second quarter of 2019), and net income of \$20.5 million. The company relies on acquisitions and is well capitalized to make its moves in a market that is throwing up very good buying opportunities.

Further, Mullen Group stock is trading at a forward price-to-earnings multiple of 13.4. Compare this to its five-year estimated earnings growth of 16.9%, and we can see that the stock is significantly undervalued. It also has a price-to-sales ratio of 0.65, while the price-to-book ratio stands at 0.91, making it an ideal contrarian buy.

Chemtrade Logistics Income Fund

Another stock that hasn't moved much this year is **Chemtrade Logistics Income Fund** ([TSX:CHE.UN](#)). The stock was trading at \$10.95 on December 3, 2018, and is now at \$10.87 with a 52-week low of \$8.54 in April 2019. The stock has lost [considerable value](#) in the last 18 months. So, is it attractive for contrarian investors at the current price?

Chemtrade provides industrial chemicals and services to customers in North America and around the world. The company announced its results for the third quarter of 2019, and revenue came in at \$395.7 million, which was \$22.5 million lower than revenue for the third quarter of 2018.

On a year-to-date basis, revenue was \$27.3 million lower than the revenue for the same period of 2018 largely due to lower selling prices for caustic soda and hydrochloric acid in the Electrochemicals segment.

The price fluctuations notwithstanding, the best part about Chemtrade's business is that its products, like sulfuric acid, water treatment chemicals, sodium, and phosphorus-based industrial products, will always have steady demand in the world market. The company has long-term contracts with its customers, so there is little fear of demand disappearing, even during a slowdown.

Chemtrade offers a jaw-dropping forward dividend yield of 11%! This ensures that for every \$10,000 you put in, you get almost \$1,100 in dividend payouts. If that weren't enough, the eight analysts tracking the stock give it an average price target of \$12.06. That's an upside of 8.5%, which takes your potential earnings on this stock to almost \$2,000 in a year. Not bad at all. You can grow your wealth very quickly in a short amount of time.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:CHE.UN (Chemtrade Logistics Income Fund)
2. TSX:MTL (Mullen Group Ltd.)

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