Market Crash: 3 Cheap Dividend Stocks to Buy and Hold for Decades

Description

The U.S. president held a short address to the nation on the night of March 11. In a stunning move, Trump announced that all travel between the U.S. and Europe would be halted for a period of 30 days, with the lone exception of the the U.K.

Futures were down sharply in the aftermath, even as nations across the developed world scramble to come up with financial relief packages to mitigate the economic damage.

Last week, I discussed why investors should emulate the behaviour of legends like Warren Buffett in turbulent market conditions. The TSX officially crossed into bear market territory this week, which means now is the time to hunt for value. Because of the broad sell-off, investors will have the luxury of picking high-quality equities that are discounted.

Today I want to look at three dividend stocks that are worth buying and holding for decades.

Park Lawn

In previous articles I recommended stocks that are set to benefit from aging populations in Canada and the rest of the developed world. **Park Lawn** (TSX:PLC), which provides death care products and services in North America, is one of those stocks. Its shares have plunged 17% over the past month as of close on March 11.

Investors can expect Park Lawn's fourth-quarter and full-year results for 2019 late this month. In the year-to-date period ending in the third quarter of 2019, Park Lawn posted revenue growth of 58% from the prior year and adjusted EBITDA growth of 70%. The stock pays out a monthly dividend of $0.038 per share, which represents a modest 1.8% yield.

Park Lawn boasts an excellent balance sheet and attractive growth potential. Shares last possessed a favourable price-to-book value of 1.4 and an relative strength index (RSI) reading of 28 – putting Park Lawn in technically oversold territory.

Sienna Senior Living

Sienna Senior Living (TSX:SIA) is another great bet when we consider how aging demographics will impact demand for the services it offers. The company provides senior housing and long-term care services in Canada. Its stock has dropped 23% over the past month.

The company released its fourth-quarter and full-year 2019 results on February 19. Revenue increased 4.3% from 2018 to $669.7 million, and total net operating income climbed 3.7% to $156.9 million. Sienna improved its balance sheet in 2019 as debt to enterprise value improved by 480 basis points and it received a “BBB” investment credit rating with a “Stable” trend from DBRS.

Shares of Sienna had an RSI of 22 at the time of this writing, indicating that it is currently oversold. It last paid out a monthly distribution of $0.078 per share. This represents a strong 6.3% yield.

TransAlta Renewables

The global shift to renewables will continue in the coming decades. **TransAlta Renewables** (TSX:RNW) is an attractive target for those who want exposure to this sector. Its shares have plunged 20% month over month as of close on March 11. The stock is still up 14% year over year.

It posted its fourth-quarter and full-year 2019 results on February 28. Comparable EBITDA rose 2% year over year to $438 million while adjusted funds from operations (AFFO) were mostly flat compared to 2018. In January, TransAlta announced that its Big Level and Antrim wind farms began commercial operation the previous month. For its 2020 outlook, the company forecasts comparable EBITDA between $445 million and $475 million and AFFO between $350 million and $380 million.

TransAlta stock last paid out a monthly dividend of $0.07833 per share, representing an attractive 6.7% yield. The stock last possessed a favourable price-to-earnings ratio of 20 and a price-to-book value of 1.6. Shares were in oversold territory with an RSI of 24.

CATEGORY

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TICKERS GLOBAL

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2. TSX:RNW (TransAlta Renewables)
3. TSX:SIA (Sienna Senior Living Inc.)

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