



2 Undervalued Dividend Stocks to Buy Now!

Description

Dividend stocks are some of the best investments you can buy for your portfolio. Not only do they give you the chance to earn capital gains, as all stocks do, but they also return cash to you in the meantime. These stocks are ideal to own as [long-term investments](#). So, if you can find dividend stocks trading undervalued, they'll always be some of the best to buy.

Because these stocks are consistently returning capital to investors, you can choose to do whatever you want with that money. You can reinvest it in the business, decide to grow your cash position, or find new, [undervalued](#) companies to add to your portfolio.

You just want to make sure you're buying quality businesses with safe and stable dividends going forward. So, with that in mind, here are two undervalued dividend stocks to consider buying today.

A top Canadian gold stock trading undervalued

If you're looking for an undervalued stock that pays a dividend, a top stock I'd look to buy is **B2Gold** ([TSX:BTO](#))(NYSE:BTG).

When talking about cheap stocks, there's no better place to start than with gold. Gold stocks have been undervalued for some time now, and not only are they cheap, but they have the potential to see huge gains if inflation continues to pick up.

There are a few gold stocks that pay dividends. However, B2Gold is one of the best. It's one of the top producers in the industry, and it has one of the most attractive dividend yields.

The company has extremely low costs of production. This gives it great margins and allows the company to earn impressive cash flow.

That's why, with the recent increase in gold prices in the last couple of years, B2Gold has seen its cash flow increase dramatically. In just the last year, it's doubled its dividend payout twice.

So, the fact that it's trading undervalued makes it one of the top dividend stocks to buy now. Its dividend currently yields 3.25%, and the stock trades at a forward price-to-earnings ratio of just 9.7 times.

A top Canadian dividend stock to buy now

Another industry where you can still find high-quality [recovery stocks](#) is the restaurant industry. That's why a stock like **Boston Pizza Royalties** ([TSX:BPF.UN](#)) is the perfect dividend stock to buy while it's cheap.

The fund is set up to receive a royalty on the sales that each restaurant across Canada does. So, generally, its revenue is actually quite stable. However, over the past year, the fund's revenue has understandably been impacted, as each restaurant has been relying mostly on takeout and patios when they've been available.

As Canada finally makes progress and heads toward the end of the pandemic, though, Boston Pizza has a tonne of recovery potential.

And the more the sales increase at each of its locations, the more royalty payments it will receive. Not only will this lead to dividend increases as its revenue recovers, but the stock will have considerable capital gains potential as well.

Right now, Boston Pizza is only paying out a little more than half of what it did before the pandemic. Furthermore, the stock is considerably cheaper than it was before the pandemic.

So, if you're looking for a top dividend stock that can offer impressive capital gains and the strong likelihood of some dividend increases over the next year, Boston Pizza is one of the best to buy today.

CATEGORY

1. Dividend Stocks
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TICKERS GLOBAL

1. NYSEMKT:BTG (B2Gold Corp.)
2. TSX:BPF.UN (Boston Pizza Royalties Income Fund)
3. TSX:BTO (B2Gold Corp.)

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