



## 3 Dirt-Cheap TSX Stocks With Growing Dividends

### Description

With the **TSX Index** just off all-time highs, not many stocks are cheap these days. However, it is good to see Canadian stocks getting some love after years of underperforming their U.S. counterparts. With inflation raging these days, I really like stocks that generate a lot of excess cash and that pay growing [dividends](#).

With interest rates so low and expenses rising every day, you are losing buying power by sitting in cash, GICs, or government bonds. Certainly, if you need capital in the next year or two (i.e., for buying a necessity like a car or a house), the stock market isn't for you. However, if you have time and want to get a solid return over inflation, these TSX industrial stocks looks pretty attractive here.

### Suncor: A TSX energy stock

Speaking about growing dividends, just yesterday, **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)) [announced](#) that it will be increasing its dividend payout by 100%. Its stock jumped nearly 10% on the news. Certainly, that sounds like a huge increase (and it is). However, it is actually just a return to the dividend payout Suncor had prior to the pandemic crash in 2020. Yet it is good news for Suncor shareholders

Today, oil prices are above US\$80 per barrel, and some analysts believe oil could rise even more. For Suncor that is incredibly positive. It can sustain its operations and capex for around US\$35 per barrel. Anything above that is free cash that can be used for debt reduction, share buybacks, and, of course, dividend increases.

Suncor also initiated a program to purchase back 107 million shares, so there is lots of opportunity for shareholders to benefit here. This is still one of the most [undervalued](#) and under-loved TSX energy stocks you can find, so it still looks like a great buy here.

### Intertape Polymer: A TSX packaging stock

Another stock that recently raised its dividend is **Intertape Polymer Group** ([TSX:ITP](#)). Trading at \$28 per share, this TSX stock yields just over 3% in annual dividends. That is equal to a U.S. dollar distribution of \$0.17 per share per quarter. Over the past three years, it has raised that dividend by around 4-5% a year. Just last quarter, it announced it would increase its annual payout by almost 8%!

Ever since the pandemic, Intertape has been on a roll. It provides specialized packaging and tape solutions for a broad array of industries. A few years ago, the company pivoted its product mix to especially focus on e-commerce verticals. This has been a major tailwind and the company has been hitting record levels of revenues, earnings, and free cash flow.

Despite the strong market-leading growth, this TSX stock only trades with a forward price-to-earnings (P/E) ratio of 10. Intertape stock presents a great combination of value, growth, and growing dividends.

## Hardwoods Distribution: A lumber distributor

Another cheap but quickly growing stock on the TSX is **Hardwoods Distribution** (TSX:HDI). Not many Canadians will recognize this name, because over 80% of its operations are in the U.S.

It is one of the largest distributors of specialized lumber, hardwood, and finishing products in North America. With a massive housing shortage across the continent, Hardwoods has been enjoying very strong organic growth across its business.

However, over the years, it has also been consolidating the market by buying other lumber distributors. It just made a significant acquisition that will broaden its scale in the direct-to-consumer and retail construction segment. Despite rising 60% in 2021, this stock only trades with a forward P/E of nine. It is cheap! It pays a 1% dividend. However, it has grown that dividend by over 122% over the past five years.

### CATEGORY

1. Dividend Stocks
2. Investing

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2. TSX:ADEN (Adentra)
3. TSX:ITP (Intertape Polymer Group)
4. TSX:SU (Suncor Energy Inc.)

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1. kduncombe
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**Author**

robbybrown

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