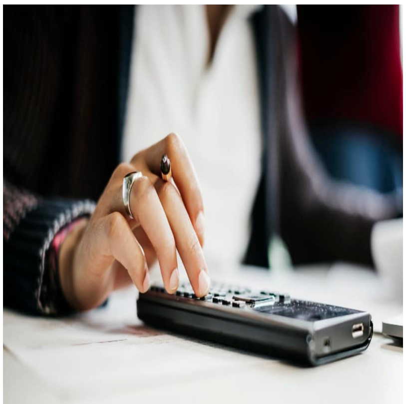

3 Canadian Dividend Stocks That Are Dirt Cheap Right Now

Description

Foreign investors have pulled more money out of the Canadian stock market this year than the 2008 financial crisis. This ongoing bear market has made some dividend stocks remarkably attractive.

Here are the top three dividend stocks that are dirt cheap right now.

Cheap dividend stock #1

Sleep Country Canada Holdings (TSX:ZZZ) has lost roughly 25% of its value this year but has staged a rebound in recent months. The specialty sleep retailer could be more resilient to the economic headwinds of 2022.

Second-quarter results affirm the company is in a phase of robust growth. Adjusted net income was up by 42.7% year over year. Revenue was also up by 18.4% over the same period. The better-than-expected results highlight the fact that demand for Sleep Country's products is resilient, despite the sharp drop in consumer sentiment.

With the overall stock market bottoming out, Sleep Country remains an investor's favourite owing to its strong compound annual growth rate. Its share price has increased by more than 50% over the past three years. Meanwhile, earnings per share have compounded at an annual rate of 20% over the same period.

In addition, Sleep Country offers an attractive 2.99% dividend yield that should appeal to investors looking to generate some passive income.

Cheap dividend stock #2

TFI International (TSX:TFII)(NYSE:TFII) looks deeply undervalued after a 20% pullback year to date. The stock was on an impressive run last year when its value doubled. After coming under pressure in the first half of the year, it has started bottoming out signaling renewed investor interest.

A 15% jump in the second half of the year could imply the correction is over. The transportation and logistics services company is the centre of attention amid the surge in demand for consumer products, manufacturing components, and raw materials. Backed by 13,384 tractors, 50,091 trailers, and 9,428 independent contractors, it remains well positioned to benefit from growing demand for its services.

TFI International delivered strong first-quarter results amid an enormous surge in demand for its services. Net income was up by 121% year over year to $147.7 million, as revenue nearly doubled to $2.19 billion. The company's impressive financial results came after completing the TForce Freight acquisition for $800 million. TFI delivered solid results, despite having to contend with labour shortages, inflation, and problems within the trucking sector.

TFI International appears to be trading at a discount with a price-to-earnings multiple of 10. In addition, the company offers a reliable dividend yield of 1.3%, which could be expanded in the years ahead as earnings continue to grow.

Based on its fundamentals, TFI is an excellent dividend stock that is dirt cheap right now.

Cheap dividend stock #3

Manulife Financial (TSX:MFC)(NYSE:MFC) is the final pick on this list. The insurance giant is deeply underrated by investors. The stock has been rangebound for nearly a decade. However, earnings and dividends have steadily expanded over that period.

Manulife currently offers a 5.4% dividend yield and trades at just six times earnings per share. It's a dirt-cheap dividend stock that should be on your radar if you're looking for a contrarian bet.

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Date
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