3 Canadian Dividend Stocks That Are Dirt Cheap in September

Description

The **S&P/TSX Composite Index** was down 314 points in late-morning trading on September 1. The base metals, information technology, and energy sectors had suffered the worst to start the final month of the summer season. Today, I want to look at three Canadian dividend stocks that are firmly in undervalued territory. Investors may want to make a move on these equities in this turbulent market. Let's jump in.

This top insurance company looks dirt cheap to kick off September

Sun Life Financial (TSX:SLF)(NYSE:SLF) is a Toronto-based financial services company that provides insurance, wealth, and asset management solutions to a worldwide client base. Shares of this dividend stock have dropped 19% in 2022 at the time of this writing. The stock is down 12% year over year.

This company released its second-quarter fiscal 2022 results on August 3. It reported underlying net income of $1.73 billion in the first six months of 2022, which was flat in the year-over-year period. Meanwhile, underlying earnings per share (EPS) rose marginally to $2.97. Insurance sales increased 4% from the prior year to $736 million. Moreover, wealth management and asset management gross flows increased 4% to $57.3 billion.

Shares of this dividend stock currently possess a favourable price-to-earnings (P/E) ratio of 8.9. It offers a quarterly dividend of $0.69 per share. That represents a solid 4.8% yield.

Here's another undervalued dividend stock to target today

Cogeco Communications (TSX:CCA) is a Montreal-based communications corporation. Thisdividend stock has plunged 20% in the year-to-date period. Its shares are down 31% compared to thesame time in 2021.

Investors got to see Cogeco's third-quarter fiscal 2022 earnings on July 13. It delivered revenue growth of 16% to $754 million. EBITDA stands for earnings before interest, taxes, depreciation, and amortization, aiming to give a better picture of a company's profitability. The company reported adjusted EBITDA of $353 million — up 16% from the previous year. Moreover, profit increased 3.3% to $108 million. Cash flow from operations climbed 32% to $355 million.

This dividend stock last had a P/E ratio of nine. That puts this top communications stock in attractive value territory to kick off the month of September. Cogeco currently offers a quarterly dividend of $0.705 per share, which represents a 3.5% yield.

A top Canadian retailer that is also a discounted dividend stock

Canadian Tire (TSX:CTC.A) is the third and final discounted dividend stock I'd suggest Canadians look to add to start the month of September. The top retailer's stock has dropped 16% in 2022 as of early afternoon trading on September 1. Its shares are now down 20% from the prior year.

The company unveiled its second-quarter fiscal 2022 earnings on August 11. Retail sales increased 9.9% year over year to $5.36 billion. Meanwhile, Canadian Tire delivered revenue growth of 12% to $4.40 billion. The retailer continued to receive a boost from high gas prices in 2022.

Shares of this dividend stock possess a favourable P/E ratio of 8.6. It last paid out a quarterly dividend of $1.625 per share. That represents a solid 4.2% yield.

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