



Saputo Inc., Maple Leaf Foods Inc., or High Liner Foods Inc.: Which Should You Buy Today?

Description

Saputo Inc. ([TSX:SAP](#)), **Maple Leaf Foods Inc.** ([TSX:MFI](#)), and **High Liner Foods Inc.** ([TSX:HLF](#)) are three of the largest manufacturers of food products in Canada, and all of their stocks represent great long-term investment opportunities today, so let's take a closer look at each to determine which would fit best in your portfolio.

1. Saputo Inc.

Saputo is the largest dairy processor in Canada and one of the 10 largest in the world. At today's levels its stock trades at just 20.5 times fiscal 2015's estimated earnings per share of \$1.54 and only 18.8 times fiscal 2016's estimated earnings per share of \$1.68, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 20.7.

In addition, Saputo pays a quarterly dividend of \$0.13 per share, or \$0.52 per share annually, giving its stock a 1.6% yield at current levels. The company has also increased its annual dividend payment for 16 consecutive years, making it one of the top dividend-growth plays in the industry today.

2. Maple Leaf Foods Inc.

Maple Leaf Foods is one of the largest manufacturers of packaged meats in Canada. At current levels its stock trades at just 30.8 times fiscal 2015's estimated earnings per share of \$0.77 and only 20.1 times fiscal 2016's estimated earnings per share of \$1.18, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 34.

Additionally, Maple Leaf pays a quarterly dividend of \$0.08 per share, or \$0.32 per share annually, which gives its stock a 1.35% yield at today's levels. Investors should also note that the company doubled its dividend in February as a result of its positive outlook, and I think this could become an ongoing theme over the next several years.

3. High Liner Foods Inc.

High Liner Foods is one of the largest processors of frozen seafood in North America. At today's levels its stock trades at just 13.9 times fiscal 2015's estimated earnings per share of \$1.55 and only 11.3 times fiscal 2016's estimated earnings per share of \$1.91, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 46.6.

In addition, High Liner pays a quarterly dividend of \$0.12 per share, or \$0.48 per share annually, giving its stock a 2.2% yield at current levels. The company has also increased its annual dividend payment for seven consecutive years, and its consistent free cash flow generation could allow this streak to continue for another seven years at least.

Which of these food manufacturers should you buy?

Saputo, Maple Leaf Foods, and High Liner Foods represent three of the best long-term investment opportunities in the food industry today. Foolish investors should take a closer look and strongly consider establishing positions in one of them.

CATEGORY

1. Dividend Stocks
2. Investing
3. Stocks for Beginners

TICKERS GLOBAL

1. TSX:HLF (High Liner Foods Incorporated)
2. TSX:MFI (Maple Leaf Foods Inc.)
3. TSX:SAP (Saputo Inc.)

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