



## 1 of These Retailers Should Be Atop Your Shopping List

### Description

**Loblaw Companies Limited** ([TSX:L](#)), **Metro Inc.** ([TSX:MRU](#)), and **Empire Company Limited** ([TSX:EMP.A](#)) are three of the largest owners and operators of grocery stores and pharmacies in Canada, and all of their stocks represent attractive long-term investment opportunities today. Let's take a closer look at each, so you can determine which would be the best fit for your portfolio.

#### 1. Loblaw Companies Limited

Loblaw is the company behind retail banners such as Loblaws, Zehrs Markets, Extra Foods, Valu-Mart, Atlantic Superstore, and Shoppers Drug Mart, and its stock has risen over 9.5% year-to-date.

At today's levels, its stock trades at 19.4 times fiscal 2015's estimated earnings per share of \$3.52 and 16.6 times fiscal 2016's estimated earnings per share of \$4.10, both of which are inexpensive compared with the industry average price-to-earnings multiple of 28.3 and the latter of which is inexpensive compared with its five-year average multiple of 16.8.

In addition, Loblaw pays a quarterly dividend of \$0.25 per share, or \$1.00 per share annually, giving its stock a 1.5% yield at current levels. It is also important to note that the company has increased its dividend for four consecutive years.

#### 2. Metro Inc.

Metro is the company behind retail banners such as Metro, Super C, Food Basics, Brunet, and Clini Plus, and its stock has risen over 15.5% year-to-date.

At current levels, its stock trades at 17.8 times fiscal 2015's estimated earnings per share of \$2.02 and 16.2 times fiscal 2016's estimated earnings per share of \$2.23, both of which are inexpensive compared with the industry average price-to-earnings multiple of 28.3, but are expensive compared with its five-year average multiple of 12.4.

Additionally, Metro pays a quarterly dividend of \$0.1167 per share, or \$0.4667 per share annually, which gives its stock a 1.3% yield at today's levels. Investors should also note that the company has

increased its dividend for 21 consecutive years.

### 3. Empire Company Limited

Empire is the company behind the Sobeys retail banner, and its stock has fallen over 6.5% year-to-date.

At today's levels, its stock trades at 14.9 times fiscal 2016's estimated earnings per share of \$5.47 and 13.1 times fiscal 2017's estimated earnings per share of \$6.25, both of which are inexpensive compared with the industry average price-to-earnings multiple of 28.3 and its five-year average multiple of 15.

In addition, Empire pays a quarterly dividend of \$0.30 per share, or \$1.20 per share annually, giving its stock a 1.5% yield at current levels. The company has also increased its dividend for 20 consecutive years.

### Which food retailer would fit best in your portfolio?

Loblaw, Metro, and Empire represent three of the best long-term investment opportunities in the retail industry today. Foolish investors should take a closer look and strongly consider making one of them a core holding.

#### CATEGORY

1. Investing
2. Stocks for Beginners

#### TICKERS GLOBAL

1. TSX:EMP.A (Empire Company Limited)
2. TSX:L (Loblaw Companies Limited)
3. TSX:MRU (Metro Inc.)

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