



## 3 Great Ways to Invest in the Food Industry Today

### Description

The food industry is considered to be one of the safest investments in the market today, because regardless of the state of the economy, people have to eat. With this in mind, let's take a look at three different ways you could invest in the industry today, so you can decide which fits your investment style the best.

#### 1. AGT Food and Ingredients Inc.: pulses & ingredients

**AGT Food and Ingredients Inc.** ([TSX:AGT](#)) is one of the world's largest suppliers of value-added pulses, staple foods, and food ingredients, including lentils, peas, beans, rice, pasta, and wheat.

At today's levels, its stock trades at 15.5 times fiscal 2015's estimated earnings per share of \$1.74 and 12.4 times fiscal 2016's estimated earnings per share of \$2.17, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 36.2 and its industry average multiple of 22.5.

I think AGT's stock could consistently command a fair multiple of at least 18, which would place its shares upwards of \$31 by the conclusion of fiscal 2015 and upwards of \$39 by the conclusion of fiscal 2016, representing upside of more than 15% and 44%, respectively, from current levels.

In addition, the company pays a quarterly dividend of \$0.15 per share, or \$0.60 per share annually, giving its stock a 2.2% yield.

#### 2. Premium Brands Holdings Corp.: manufacturing & distribution

**Premium Brands Holdings Corp.** ([TSX:PBH](#)) is one of North America's largest owners and operators of specialty food manufacturing and differentiated food distribution businesses.

At current levels, its stock trades at 21.7 times fiscal 2015's estimated earnings per share of \$1.48 and 15.4 times fiscal 2016's estimated earnings per share of \$2.08, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 30.2 and its industry average multiple of 23.

I think Premium Brands's stock could consistently command a fair multiple of at least 24, which would place its shares upwards \$35 by the conclusion of fiscal 2015 and upwards of \$49 by the conclusion of fiscal 2016, representing upside of over 8% and 52%, respectively, from today's levels.

Additionally, the company pays a quarterly dividend of \$0.345 per share, or \$1.38 per share annually, which gives its stock a 4.3% yield.

### **3. Empire Company Limited: grocery stores**

**Empire Company Limited** ([TSX:EMP.A](#)) is one of the largest owners and operators of grocery stores and related real estate in Canada, and it is the company behind the Sobeys retail brand.

At today's levels, its stock trades at 15.1 times fiscal 2016's estimated earnings per share of \$1.82 and 13.2 times fiscal 2017's estimated earnings per share of \$2.08, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 18.8 and its industry average multiple of 29.

I think Empire's stock could consistently command a fair multiple of at least 18, which would place its shares upwards of \$32 by the conclusion of fiscal 2016 and upwards of \$37 by the conclusion of fiscal 2017, representing upside of more than 16% and 34%, respectively, from current levels.

In addition, the company pays a quarterly dividend of \$0.10 per share, or \$0.40 per share annually, giving its stock a 1.45% yield.

### **Which of these food stocks should you buy?**

AGT, Premium Brands, and Empire are three of the best ways to invest in the food industry today. All Foolish investors should take a closer look and strongly consider beginning to scale in to long-term positions in one of them.

### **CATEGORY**

1. Investing

### **TICKERS GLOBAL**

1. TSX:EMP.A (Empire Company Limited)
2. TSX:PBH (Premium Brands Holdings Corporation)

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**Author**

jsolitro

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