



### 3 Undervalued Industry Titans to Buy Now

#### Description

As value-conscious investors, we are always on the lookout for high-quality companies whose stocks are trading at discounted levels, and I have just come across three very attractive options from different industries. Let's take a quick look at each, so you can determine if you should buy one of them today.

#### 1. Canadian Utilities Limited

**Canadian Utilities Limited** ([TSX:CU](#)) is a diversified global corporation with operations in structures and logistics, pipelines and liquids, and electricity generation, distribution, transmission, and infrastructure development.

At today's levels, its stock trades at just 15.7 times fiscal 2016's estimated earnings per share of \$2.08 and only 14.9 times fiscal 2017's estimated earnings per share of \$2.19, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 18 and its industry average multiple of 17.9.

I think Canadian Utilities's stock could consistently trade at a fair multiple of at least 18, which would place its shares upwards of \$39 by the conclusion of fiscal 2017, representing upside of more than 19% from today's levels.

In addition, the company pays a quarterly dividend of \$0.325 per share, or \$1.30 per share annually, which gives its stock a yield of about 4%.

#### 2. Loblaw Companies Limited

**Loblaw Companies Limited** ([TSX:L](#)) is Canada's food and pharmacy leader through its many retail banners, including Loblaws and Shoppers Drug Mart.

At today's levels, its stock trades at just 17.5 times fiscal 2016's estimated earnings per share of \$3.91 and only 15.6 times fiscal 2017's estimated earnings per share of \$4.41, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 160.4 and its industry average multiple of 23.8.

I think Loblaw's stock could consistently trade at a fair multiple of at least 20, which would place its shares upwards of \$88 by the conclusion of fiscal 2017, representing upside of more than 28% from today's levels.

In addition, the company pays a quarterly dividend of \$0.25 per share, or \$1.00 per share annually, which gives its stock a yield of about 1.5%.

### 3. Exco Technologies Limited

**Exco Technologies Limited** ([TSX:XTC](#)) is one of the world's leading manufacturers of dies, moulds, equipment, components, and assemblies for the die-cast, extrusion, and automotive industries.

At today's levels, its stock trades at just 12.3 times fiscal 2016's estimated earnings per share of \$1.27 and only 10.3 times fiscal 2017's estimated earnings per share of \$1.52, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 13 and its industry average multiple of 18.1.

I think Exco's stock could consistently trade at a fair multiple of at least 13, which would place its shares upwards of \$19 by the conclusion of fiscal 2017, representing upside of more than 21% from today's levels.

In addition, the company pays a quarterly dividend of \$0.07 per share, or \$0.28 per share annually, which gives its stock a yield of about 1.8%.

### Which of these stocks should you buy today?

Canadian Utilities, Loblaw, and Exco Technologies are some of the best investment options in their respective industries. Foolish investors should strongly consider making one of them a core holding today.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. TSX:CU (Canadian Utilities Limited)
2. TSX:L (Loblaw Companies Limited)
3. TSX:XTC (Exco Technologies Limited)

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