



## 2 Off-the-Radar Stocks Trading Near 12-Month Highs

### Description

Investors often get caught up chasing the popular names they see discussed on their favourite business program, but the market is also full of unloved, less-exciting companies that are quietly rewarding shareholders.

Here are the reasons why I think **Winpak Ltd.** ([TSX:WPK](#)) and **Progressive Waste Solutions Ltd.** (TSX:BIN)(NYSE:BIN) deserve to be on your radar.

#### Winpak

Winpak is a Winnipeg-based company that manufactures and distributes high-quality packaging materials and related machines. The company's products are primarily used for the packaging of perishable foods, beverages, and healthcare products.

If you look in your freezer or medicine cabinet, the odds are pretty good that Winpak has provided the wrapping on some of the products.

The company recently reported record Q4 2015 quarterly earnings of \$27.6 million, or 43 cents per share, up 18% over the same period in 2014.

Winpak has no debt and paid out a special dividend of \$1.50 per share last year.

The stock is trading at \$45.50, just below the 12-month high of \$47.50 it hit in December. Shareholders have enjoyed a 230% return over the past five years.

If you want a reliable recession-resistant stock, Winpak is a good name to consider.

#### Progressive Waste

Once you are finished with Winpak's products, there is a good chance they will be handed over to Progressive Waste, which will soon be called Waste Connections.

Why is the name changing?

The company recently announced plans to merge with **Waste Connections Inc.** ([NYSE:WCN](#)), a Texas-based waste management business, in a consolidation move that has brought some new life to Progressive Waste's stock.

The combined company will benefit from a diverse revenue base and enjoy a leadership position in the North American solid waste market with operations in six Canadian provinces and more than 30 U.S. states. Waste Connections is focused primarily on secondary and exclusive U.S. markets, which complements Progressive Waste's Canadian and U.S. business lines.

The first year of combined operations is expected to generate more than \$625 million in adjusted free cash flow.

Progressive Waste's shares are up more than 30% since the announcement, and investors have enjoyed a 70% return over the past five years. The all-stock deal enables Progressive Waste's shareholders to benefit from the higher multiple enjoyed by Waste Connections, and the combined business is well placed to take advantage of further growth opportunities in the waste management sector.

Management says the company plans to continue paying the dividend, and investors could see a boost to the payout given the free cash flow outlook.

## CATEGORY

1. Investing

## TICKERS GLOBAL

1. NYSE:WCN (Waste Connections)

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