



5 of the Best Food Stocks Money Can Buy

Description

As value investors, we know that the best place to park our money is in great companies whose stocks are trading at discounted levels. I've scoured the food industry and compiled a list of five of the best investment options, so let's take a quick look at each to determine if you should invest in one of them today.

1. George Weston Limited

George Weston Limited ([TSX:WN](#)) is Canada's largest food processor and distributor. Its subsidiaries include Weston Foods, the country's leading fresh and frozen baking company, and **Loblaw Companies Limited**, the country's food and pharmacy leader.

At today's levels, its stock trades at just 18 times fiscal 2016's estimated earnings per share of \$6.27 and only 16.3 times fiscal 2017's estimated earnings per share of \$6.92, both of which are inexpensive compared with its trailing 12-month price-to-earnings multiple of 39.9, its five-year average multiple of 42.7, and its industry average multiple of 34.3.

In addition, the company pays a quarterly dividend of \$0.44 per share, or \$1.76 per share annually, which gives its stock a yield of about 1.6%. It's also important to note that its two dividend hikes since the start of 2015, including its 3.5% hike last month, have it on pace for 2016 to mark the fifth consecutive year in which it has raised its annual dividend payment.

2. Premium Brands Holdings Corp.

Premium Brands Holdings Corp. ([TSX:PBH](#)) is one of North America's leading manufacturers and distributors of branded specialty food products. Its food distribution businesses include Premium Brands Distribution, C&C Foods, Premier Foods, and Noble House Foods, and its specialty brands include Bread Garden Express, Creekside Custom Foods, McSweeney's, and Hub City Fisheries.

At today's levels, its stock trades at just 22.6 times fiscal 2016's estimated earnings per share of \$2.37 and only 18.6 times fiscal 2017's estimated earnings per share of \$2.88, both of which are inexpensive compared with its trailing 12-month price-to-earnings multiple of 84.1, its five-year average multiple of

47.3, and its industry average multiple of 34.3.

In addition, the company pays a quarterly dividend of \$0.38 per share, or \$1.52 per share annually, which gives its stock a yield of about 2.8%. It's also important to note that its 10.1% dividend hike in March has it on pace for 2016 to mark the fourth consecutive year in which it has raised its annual dividend payment.

3. AGT Food and Ingredients Inc.

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

At today's levels, its stock trades at just 17.3 times fiscal 2016's estimated earnings per share of \$2.09 and only 12.9 times fiscal 2017's estimated earnings per share of \$2.79, both of which are inexpensive compared with its trailing 12-month price-to-earnings multiple of 20.4, its five-year average multiple of 77.8, and its industry average multiple of 27.

In addition, the company pays a quarterly dividend of \$0.15 per share, or \$0.60 per share annually, which gives its stock a yield of about 1.7%. It's also important to note that it has maintained this annual dividend rate since 2012.

4. Saputo Inc.

Saputo Inc. ([TSX:SAP](#)) is Canada's largest dairy processor, and it's one of the 10 largest in the world. Its brands include Saputo, Armstrong, Cracker Barrel, and Friendship, and its product offerings include cheese, fluid milk, cultured products, and dairy ingredients.

At today's levels, its stock trades at just 21.4 times fiscal 2017's estimated earnings per share of \$1.77 and only 19.1 times fiscal 2018's estimated earnings per share of \$1.98, both of which are inexpensive compared with its trailing 12-month price-to-earnings multiple of 25.1, its five-year average multiple of 36, and its industry average multiple of 27.

In addition, the company pays a quarterly dividend of \$0.135 per share, or \$0.54 per share annually, which gives its stock a yield of about 1.4%. It's also important to note that it has raised its annual dividend payment for 16 consecutive fiscal years, and I think it's well positioned to continue this streak in fiscal 2017.

5. Maple Leaf Foods Inc.

Maple Leaf Foods Inc. ([TSX:MFI](#)) is Canada's leading consumer packaged meats company. Its brands include Maple Leaf, Swift, Larsen, Mitchell's, Shopsy's, and Schneiders, and its product offerings include sliced, canned, and frozen meats.

At today's levels, its stock trades at just 22.3 times fiscal 2016's estimated earnings per share of \$1.27 and only 19.8 times fiscal 2017's estimated earnings per share of \$1.43, both of which are inexpensive compared with its trailing 12-month price-to-earnings multiple of 45.2, its five-year average multiple of 24.9, and its industry average multiple of 27.

In addition, the company pays a quarterly dividend of \$0.09 per share, or \$0.36 per share annually,

which gives its stock a yield of about 1.3%. It's also important to note that its 12.5% dividend hike in March has it on pace for 2016 to mark the second consecutive year in which it has raised its annual dividend payment.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:MFI (Maple Leaf Foods Inc.)
2. TSX:PBH (Premium Brands Holdings Corporation)
3. TSX:SAP (Saputo Inc.)
4. TSX:WN (George Weston Limited)

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Date

2025/08/21

Date Created

2016/06/14

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