



## These 2 Stocks Are Great Value Investments

### Description

When picking stocks to invest in, it's important to find companies that are operating in industries that you think will be successful in the future and are not overvalued. People may point to a stock like **Amazon.com, Inc.** ([NASDAQ:AMZN](#)), which is trading at 191 times its earnings, and say earnings multiples don't matter, but that's only part of the equation.

A company like Amazon is constantly innovating to prove it has something more than just earnings to offer. If it isn't able to keep on innovating at the pace it is going, the stock will see a sizable correction. Many analysts already see the U.S. markets as a whole to be overpriced, and Amazon is no exception. The stocks I have listed here might not be the most interesting or exciting, but the companies are fairly valued and have excellent opportunities to grow and have already done so over the years.

**Pure Industrial Real Estate Trust** (TSX:AAR.UN) has a portfolio of 164 income-producing industrial properties in the U.S. and Canada, totaling over 22,000 square feet. The main presence the company has is in Ontario with 74 total properties — almost half of where the company's total portfolio is located. Its presence in the U.S. is limited to just 22 locations thus far; however, with over 6,500 square feet, those locations make up almost a third (30.6%) of the portfolio's total square footage.

The company has been growing with four consecutive quarters showing increases in revenue and profitability as well. On an annual basis, the story has been the same, with revenues of \$187 million in fiscal 2016 — up from just \$52 million four years earlier — for a compounded annual sales growth rate of over 37%. Profits have more than quadrupled over that time as well, increasing from \$31 million in 2012 to \$148 million in the last fiscal year.

The share price of Pure Industrial has seen returns of almost 20% this calendar year and over 29% for the past 12 months. With earnings per share of over \$0.90, the stock is trading a little more than seven times its earnings. The company's book value currently sits at \$5.76 per share, making its price-to-book ratio only 1.16.

With low multiples for earnings and book values combined with strong sales growth and stock appreciation, it is hard to not like this stock. As the economy improves, industries will too, which should make this company prosper even further. On top of all the good ratios, Pure Industrial also pays a solid annual dividend of 4.6% that is paid monthly.

**Linamar Corporation** ([TSX:LNR](#)) is in the business of manufacturing engineered products to a variety of industries. The strength of the company is that it is not tied to a single industry and is diversified into its customer base. In addition to manufacturing automotive parts for light and commercial vehicles, the company also produces products that are used in wind energy and oil and gas production as well as many other industries.

Over the past four years Linamar has seen its sales almost double with an annual compounded growth rate of over 16%. Profitability has done even better — more than tripling over that time with average growth of 37% a year.

The stock currently trades at just under nine times its earnings. With book values of over \$42, it also trades around 1.7 times that value. So far this year, the stock has produced returns of over 24%, and for the past 12 months it has returned over 35%.

Linamar offers good growth prospects because it is able to serve a lot of different industries. It has had strong sales and profit growth and offers a good value at its current price of about \$70 per share. It would be a good stock to just sit in your portfolio as the company continues to grow.

### **CATEGORY**

1. Dividend Stocks
2. Investing

### **TICKERS GLOBAL**

1. NASDAQ:AMZN (Amazon.com Inc.)
2. TSX:LNR (Linamar Corporation)

### **PARTNER-FEEDS**

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

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