



These 3 Alcohol Stocks Could Ride Momentum Into the New Year

Description

Retail sales rose 1.1% at food and beverage stores in October. Beer, wine, and liquor stores drove this growth, as activity increased by 3.7% in the month. The hot start in the fourth quarter is good news for alcohol retailers, as activity usually jumps considerably in the holiday season. Let's look at three alcohol stocks investors should consider as we approach the new year.

Corby Spirit and Wine Ltd. ([TSX:CSW.A](#))

Corby is a Toronto-based distributor and marketer of spirits and wines. Some of its top brands include Jameson whiskey, Polar Ice Vodka, Absolut Vodka, Jackson Creek wine, and many others. Shares of Corby have dropped 1.5% in 2017 as of close on December 28.

[Millennial consumer trends](#) have changed the shape of the restaurant industry, and this has spilled over into alcohol as well. The millennial demographic consumes more wine than they do beer or spirits, which is a dramatic change from the baby boomer generation. This trend is a positive one for companies like Corby.

Corby released its fiscal 2018 first-quarter results on November 8. Revenue was up 4% with a surge in orders in anticipation of a possible LCBO strike in the fourth quarter. Net earnings were down 9% year over year due to increased operating expenses for marketing and advertising. The company also offered a quarterly dividend of \$0.22 per share, representing a 4% dividend yield.

Liquor Stores N.A. Ltd. (TSX:LIQ)

Liquor Stores N.A. is an Edmonton-based alcohol retailer that operates under the brand names Wine & Beyond, Liquor Depot, and Brown Jug. The stock has climbed 1.3% in 2017 and 7.8% month over month as of close on December 28.

The company released its third-quarter results on November 9. Consolidated sales were down 2.1% to \$204.4 million from \$208.8 million in the prior year. Canadian same-store sales were down 1.6% to \$126.3 million and U.S. same-store sales were down 2.9% to \$51 million. Operating profit dropped from \$12.6 million in Q3 2016 to \$5.2 million.

Liquor Stores N.A. leadership noted that the company was pursuing a strategy that would attempt to recapture market share in the Alberta market and increase profitability. Investors will be watching to see if this strategy pays dividends during the holiday shopping months in Alberta and British Columbia.

The stock also offered a quarterly dividend of \$0.09 per share, representing a 3.3% dividend yield.

Brick Brewing Co. Limited (TSX:BRB)

Brick Brewing is the largest Canadian-owned brewery currently operating in Ontario. Its most popular product is the Laker brand, but it also offers a number of Waterloo craft brews among other categories. Brick Brewing stock has climbed 29.2% in 2017. In September, I'd [discussed](#) why the company was worth consideration with the rise of craft breweries in North America.

The company released its third-quarter results on December 8. Net revenue rose to \$11.7 million from \$11.1 million in Q3 2016 and year-to-date net revenue was \$39.1 million compared to \$34.6 million in the prior year. The board of directors also approved a quarterly dividend of \$0.02 per share with a 2% dividend yield.

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Date

2025/06/29

Date Created

2017/12/29

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