



Which of These Amazing Stocks Is the Better Buy Today?

Description

CCL Industries Inc. ([TSX:CCL.B](#)) and **Intertape Polymer Group** ([TSX:ITP](#)) are in the packaging and containers industry within the consumer discretionary sector. Both have delivered amazing returns since before the last recession. Which is the better buy today?

CCL Industries

Since 2008, right before the Financial Crisis hit, CCL Industries stock has delivered total returns of more than 23% per year. To put it in perspective, a \$10,000 investment in CCL Industries would have transformed into ~\$82,000.

CCL Industries is the largest label company in the world. It also makes and sells other packaging-related products. It has a diversified customer base, as it serves global markets of home and personal care, food and beverage, healthcare and specialty, automotive, electronics and consumer durables, and retail and apparel.

It operates 167 state-of-the-art manufacturing facilities in 37 countries across North America, Latin America, Europe, Asia, Australia, and Africa.



The success story is partly an acquisition-and-merger one. So, whether CCL Industries will continue its general growth trajectory depends on if it can find suitable acquisitions at the right prices.

That said, the company generates good returns on its assets. Since 2014, its return on assets (ROA), return on equity (ROE), and return on invested capital (ROIC) have been +8%, +19%, and +12%, respectively.

In early March, CCL Industries agreed to acquire a fitting business that's based in Mexico. The new business will add sales of ~\$212 million with adjusted earnings before interest, taxes, depreciation, and amortization (EBITDA) of ~\$40 million. In comparison, CCL Industries's 2017 sales and EBITDA were ~\$4,755.7 million and ~\$959.2 million, respectively.

Intertape Polymer Group

Since 2008, Intertape Polymer Group stock has delivered total returns of ~21% per year. To put it in perspective, a \$10,000 investment in the stock would have transformed into ~\$64,100.

Intertape Polymer Group operates in the specialty packaging industry. It develops, manufactures, and sells a variety of paper- and film-based pressure-sensitive and water-activated tapes, specialized films, and woven coated fabrics for industrial and retail use.

Since 2014, Intertape Polymer Group's ROA, ROE, and ROIC have been +7%, +15%, and +10%, respectively. The company had splendid results in 2017, but growth this year is expected to taper off, and that's partly why the stock has been weak recently.

Which is the better buy today?

At ~\$64 per share, CCL Industries is, at best, fairly valued. Some would say it's the right thing to pay a fair price for a quality stock, such as CCL Industries. If the company continues to deliver, you can expect returns of ~10-13% per year for the next few years.

At ~\$19.50 per share, Intertape Polymer Group is a good value. The analyst consensus from **Thomson Reuters** has a 12-month target of ~\$26 per share on the stock, which represents ~33% upside potential in the near term.

If Intertape Polymer Group can surprise the market with better-than-expected results, the stock can deliver higher returns than CCL Industries in the near term. However, if your focus is on top-notch quality, you might consider [CCL Industries](#) over [Intertape Polymer Group](#). If so, try to buy CCL Industries on a dip to at least the low \$60s.

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