



Buy Now: These Long-Term Food Stocks Are Discounted

Description

Have you invested in any food stocks recently? It never ceases to amaze me how we tend to bypass food investments and gravitate towards the typical financial or energy-based investments.

That's a shame because there are some incredible, if not downright appetizing, food stocks that can not only diversify your portfolio but provide a [source of growth](#) and income, too.

Here's a look at several appealing food stocks that are currently discounted.

While you may not immediately recognize **Recipe Unlimited** ([TSX:RECP](#)), you will likely recall its former name, Cara Operations. The company chose to change its name to reflect its new identity and a wide variety of brands and distance itself from its former business of catering to the airline sector.

Recipe's portfolio includes a number of very popular brands, such as Harvey's, Swiss Chalet, Milestones, Kelsey's, and East Side Mario's, which collectively span from fast-food and casual dining offerings to a more upscale and formal experience.

That diversity is one of two unique factors that place Recipe uniquely in front of its competitors. The other factor has to do with the aggressive expansion that the company has gone through to acquire those brands, which has, in turn, helped boost earnings, which came in over 30% higher in the most recent quarter than the same period last year.

Recipe offers a quarterly dividend with a yield of 1.49% and currently trades at just below \$30 with a P/E of 20.53.

Premium Brand Holdings ([TSX:PBH](#)) is an interesting food stock that should appeal to anyone looking for a diversified pick that also provides some income-producing potential. Premium Brands is a specialty manufacturer and distributor for a variety of food products, which includes over 30 well-known brands such as Piller's, Isernio's, and Belmont Meats.

In terms of a dividend, the 1.94% yield that Premium Brand offers may not seem like much, especially when compared to some of the lucrative yields on the market at the moment, but it is a steadily

growing payout that has provided annual hikes over the past few years.

Year to date the stock is down nearly 5%, which may seem odd considering that Premium Brands is a well-known growth play. In reality, Premium Brands holds plenty of [long-term potential](#), as witnessed in the record-breaking quarterly revenue for the second fiscal quarter of 2018 announced earlier this month.

Investors should see the current pullback as an opportunity to buy Premium Brands at a discounted rate.

Pizza Pizza Royalty ([TSX:PZA](#)) is another great pick for income-seeking investors. On the one hand, the stock recently took a sharp dip as a result of an earnings miss, resulting in the company trading down over 35% year to date. Investor frustration at the company's neglected dividend also likely factored into consideration. Pizza Pizza last hiked its dividend over eight years ago.

On the other hand, the pullback in the stock price has provided an opportune moment for would-be investors to stake their claim and existing shareholders to reduce their overall cost by buying more. The dip has also caused Pizza Pizza's monthly dividend to sharply rise to an impressive 8.27% yield.

Finally, it's worth noting that despite being one of the largest Pizza restaurants in the country by the number of locations, Pizza Pizza is still only available in a few provinces. In other words, there's still growth potential.

Pizza Pizza trades at just over \$10, with a P/E of 11.80.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:PBH (Premium Brands Holdings Corporation)
2. TSX:PZA (Pizza Pizza Royalty Corp.)
3. TSX:RECP (Recipe Unlimited)

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