Pass the Turkey and Consider Some Fish for Your Portfolio

Description

Happy thanksgiving, Canada.

While we sit down with families to feast and be thankful, you may want to take a quick peek at your portfolio and consider the following two food investments that can promise growth and income for years to come.

Maple Leaf Foods (TSX:MFI) is a name that most of us will recognize, likely because of its namesake brand of poultry and meat products that adorns supermarkets across the country. What you may not realize, however, is that Maple Leaf is also a promising investment option that has several strong points for potential investors to consider.

First, there's Maple Leaf"s impressive line of brands. Besides the Maple Leaf brand itself, the company owns a number of iconic brands that are popular staples around Canada, including Schneider's, Shopsy's, Swift, Larsen, Prime, and several others.

The impressive brand portfolio also extends beyond the traditional meat market to cater to the changing face of society, including the incorporation of plant-based foods such as U.S.-based Lightlife foods.

Maple Leaf's history of acquisitions is another key point to consider. The company is well known for acquiring smaller players that allow it to branch out to new markets with new products.

Just last week, Maple Leaf announced its latest acquisition — Montral-based Viau Foods in a deal reported to be worth $215 million. Viau is primarily known for its line of premium dry-cured and pepperoni meat products, which have a growing market in both Canada as well as the U.S. The deal is expected to close before the end of the year and should provide a boost to earnings within the next year.

Maple Leaf currently trades at just under $33 with a P/E of 27.03. Investors considering the stock as a long-term investment will also benefit from the respectable 1.63% yield the company offers.

If fish or more to your liking, another intriguing investment option to consider comes in the form of **High Liner Foods** (TSX:HLF). As with Maple Leaf, most of us will recall High Liner's namesake brand from the supermarket freezer, but few realize that the frozen fish behemoth has an impressive line of additional brands that includes several supermarket and box-store brands in addition to providing fish to various outlets across the food service industry.

The opportunity for investors comes in the form of three key areas.

The first noteworthy point to consider is High Liner's growing market. Despite owning a commanding share of the frozen food market over its peers, the company has used its financial muscle in the past to its advantage. In May of 2017, High Liner did that by acquiring shrimp distributor Rubicon, which, as per the most recent quarterly results, was instrumental in the company posting a favourable $12.9 million year-over-year gain in sales and the gross profit increasing to $43.3 million over the $33.8 million reported in the same quarter last year.

Second, there's the change in the C-Suite to take into consideration. CEO Ron Hepponstall was only just appointed in May, but as a 25-year veteran to the food industry in both the U.S. as well as Canada, Hepponstall will no doubt continue to push for increased efficiency and savings.

Finally, High Liner is a value-priced bargain at the moment. The stock has dropped over 60% in the past two-year period, while the once-respectable quarterly dividend that the company offers has swelled to an incredible 6.73% yield.

High Liner is solid business that has long-term potential for investors and, with a cost of under $9 and a P/E of just 8.68, is swelling with long-term opportunity.

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Date
2025/06/30
Date Created
2018/10/08
Author
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