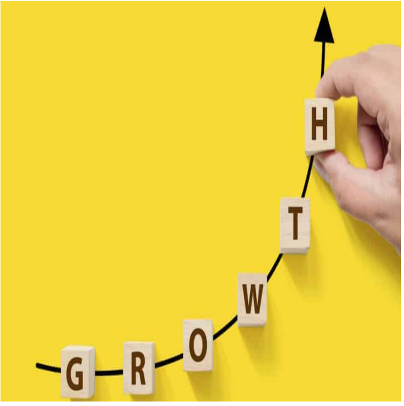

3 Reasons This Stock Could Be a Great Growth Investment for 2019

Description

After the roller-coaster ride that was 2018, investors should be thinking strongly about re-balancing and diversifying their investment portfolios. One intriguing investment that continues to go unnoticed by many is **Maple Leaf Foods** (TSX:MFI), and there are several reasons why the well-known food stock should be near the top of your shopping list.

Growth over excitement

While a food company such as Maple Leaf may not have the allure and excitement of a startup technology company, what the company does promise is growth. Maple leaf has completed several large acquisitions over the past year that will not only grow earnings but expand the company into new markets and product areas.

Most of us know Maple Leaf foods as the company behind a series of brands that are on supermarket shelves in Canada as well as the U.S., but few people realize that some of the brands, such as Shopsy's, Schneiders, Larsen, and Prime are, in fact, just as well known as the company's namesake brand. In total, the company has over a dozen brands, including plant-based food producer (and recent acquisition target by Maple Leaf), Light Life.

Another acquisition worthy of note is the $215 million deal for VIAU — a supplier of prepared meats and Italian cooked meats, toppings, and meatballs. The Quebec-based company has facilities in Montreal and Laval and serves both retailers and the food industry directly in both Canada as well as the U.S.

Income over obscurity

The most recent quarterly update from Maple Leaf came last fall, where the company reported a dip in net earnings, which came in at $26.2 million, or $0.21 per basic share. By way of comparison, in the same quarter last year, the company reported $37.6 million, or $0.29 per basic share. Much of the change was attributed to one-time events such as the adoption of the new IFRS15 reporting standard as well as a series of acquisitions that were completed during the most recent quarter.

Despite those one-time events, Maple Leaf's stock has dropped in recent months and finished 2018 down nearly 20%, making what is otherwise an appetizing long-term investment a discounted bargain. Adding to that allure is Maple Leaf's dividend, which provides a respectable yield of 1.92%.

Change over the status quo

Perhaps one of the most exciting and promising aspects of Maple Leaf Foods is the company's recent re-branding, proudly proclaiming the intent to "be the most sustainable protein company on earth." To make good on that promise, Maple Leaf has reformulated all of its products to be completely free of colours, nitrates, antibiotics, and chemicals that are commonly found in processed meats. Instead, the new packaging will have easy-to-read ingredient lists that are visible to customers, containing only commonly known ingredients such as water, salt, and vinegar.

While this may initially sound like more of a marketing gimmick by the company, it is, in fact, a solid example of for other companies to follow and showcase their sustainability, eliminate waste, and help improve nutrition across the board.

Also worth noting is that sustainability itself is becoming more of an important factor for both investors and consumers.

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dafxentiou