



3 Food Brands I'd Love to See Acquired

Description

Anyone who follows **Premium Brands Holdings** ([TSX:PBH](#)) knows that it's a serial acquirer. It acquires food-related businesses like Canadian kids collect hockey cards.

I've been a fan of CEO George Paleologou for several years now. He's a big reason why I'd suggested Premium Brands stock would rocket to \$100 in May 2017. At the time it was trading around \$88. It hit \$100 in September 2017 and rose all the way to \$120 in April of last year before investors got a case of indigestion; it's now 13% below where I'd recommended it 20 months ago.

However, I'm not here to sell you on why it's worth \$100 or more. Fool contributors such as Mat Litalien can fill you in on the company's many positive attributes. He recently [called](#) it a top pick for 2019, because it provides investors with income, value, and growth — a trifecta that's hard to come by.

I could not agree more with Mat's assessment. It's why I [believe](#) Premium Brands is one of the top five stocks on the TSX.

But that's not what I'm here to talk about today.

In case you hadn't noticed, Premium Brands hasn't acquired a new business since early September — an eternity for a company like this. So, I thought I'd offer up three potential candidates for the company to buy.

Candidate #1

Living in the east coast, you can't help but be familiar with seafood brands from **High Liner Foods** ([TSX:HLF](#)) or **Clearwater Seafoods** (TSX:CLR), both of which trade on the TSX and had a tough year in 2018, losing 44% and 19%, respectively.

The last acquisition Premium Brands made happens to be Ready Seafood, a processor and distributor of lobsters to the retail and food service customer. Paying US\$129 million for the Maine-based business, I believe Paleologou and the rest of the team could turn both Nova Scotia brands into winners.

Candidate #2

Although Premium Brands focuses on sandwich-related food businesses, there's a beverage company right in its backyard that's riding the oat milk trend.

I'm speaking about Earth's Own, the Vancouver-based maker of SoFresh oat milk — a drink I recently tried for the first time and loved the taste. Does it taste like milk? Of course, not, but it doesn't harm the environment nearly to the same extent as milk does. In fact, of all Earth's Own products (oat milk, almond milk, soy milk), it's probably got the best balance between taste and environmental impact.

It's a long shot, but with the trend to vegan and vegetarian lifestyles, it would make an excellent platform for growth in this burgeoning area of the food industry.

Candidate #3

For this last one, I don't have a specific candidate, so all I'll say is think edibles.

Premium Brands's bread and butter is the sandwich business. Why not invest in an up-and-coming cannabis company that's focusing on the edibles market — the segment of the industry that most experts expect to be the most significant area of growth in the next five to 10 years.

No, I'm not talking about one of the billion-dollar cannabis companies, but rather one of the many flourishing businesses in Colorado or California that will come a lot cheaper.

Edibles are where it's at.

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TICKERS GLOBAL

1. TSX:HLF (High Liner Foods Incorporated)
2. TSX:PBH (Premium Brands Holdings Corporation)

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