



Investor Alert: Don't Miss This Chance to Buy This Top Growth Stock

Description

After a seemingly unstoppable rise, **MTY Food Group** ([TSX:MTY](#)) has hit a speed bump.

Down 14% year to date and 28% from its November 2018 highs, this [growth stock](#) is falling 10% today, this day of its earnings release.

So, what happened?

Well, MTY's earnings have disappointed investors, as they once again missed estimates amid declining same-store sales and ongoing competition, resulting in increasing volatility. And we should expect the same for 2019.

But MTY Group stock remains a quality, [defensive](#) growth stock that is a top consolidator in the restaurant business.

And the stock's multiples do not reflect the strong growth that the company has seen, or the strong returns that are inherent in its business.

MTY stock's fall from grace today and in the last few months is a move that provides investors with the opportunity to snatch it up at a bargain, as it remains a solid long-term holding.

Strong history

The company's continued acquisitions of new restaurant chains has driven a more than 200% increase in revenue in the last five years to \$353 million in 2018, and a more than 200% increase in cash flows for a five-year compound annual growth rate (CAGR) in revenue of 25% and a five-year CAGR in cash flow of 24%.

The company has been driving increasing returns and all the while maintaining a healthy balance sheet.

With a debt-to-total capitalization ratio of 30%, an ROE of 13%, and \$32 million of cash on its balance

sheet, MTY remains well positioned long term.

In fact, in the last 15 or so years, MTY has acquired and integrated more than 60 brands, doing so successfully and maintaining a healthy balance sheet and stock price, which has provided investors a capital gain of 70% over the last five years.

Focus on cash flows

In the latest quarter, MTY reported a doubling of cash flow from operations and announced a 10% increase in its dividend, and while the stock's dividend yield is only 1.25%, it is at least some income for shareholders.

Strong cash flows have driven the company's ability to continue to expand, and with this, MTY also announced that it has acquired Papa Murphy's, which is the largest take 'n' bake pizza brand and the fifth-largest pizza chain in the U.S. for cash consideration of \$253 million.

In a time when we are all eating out more than ever amid increasingly busy schedules and increasing wealth, this quality company is poised to continue to do well.

Trading at a price-to-earnings multiple of 17 times, with a long headway of growth ahead, investors have the chance today to buy it at extremely attractive levels.

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1. TSX:MTY (MTY Food Group)

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