



The Best Stock Over \$100

Description

I don't know about you, but my favourite part of elementary school was getting those juice boxes in my lunch bag.

I used to always compare the flavour of my juice to my friends' juices and sometimes we would trade. I usually got the better deal, as my parents sent me to school with those 100% natural, five servings of fruits and vegetable juice boxes.

Needless to say, all the other kids fared better in the juice box department than I did. Luckily for you as an investor, the obsession that parents have with keeping their kids healthy and the obsession kids have with all things in packaging makes **Lassonde** ([TSX:LAS.A](#)) the perfect investment.

The company has solid net income for the past five fiscal years and is heavily diversified in the beverage industry.

Solid net income

When I was researching Lassonde, I was pleasantly surprised to see how well the company has been doing in the past five years.

I use the word surprised because people are becoming increasingly sugar-conscious and Lassonde's beverages are not exactly sugar-free.

That said, the company is well known for adapting to changing consumer preferences and the fact that it has 14 brands in the beverage industry makes me think that consumers don't have too many other options.

Its net income has increased from \$45 million in fiscal 2014 to \$90 million in fiscal 2017 before dropping to \$66 million in fiscal 2018. This is impressive, as it results in an accumulated net income of \$326 million.

The decrease in net income from fiscal 2017 to fiscal 2018 was ultimately due to a lower gross profit margins, which had negative implications on operating net income and thus total net income.

Highly diversified

Before you jump to any conclusions, Lassonde's diversification is strictly within the beverage industry. It's by no means the mastermind behind brands such as Tesla or Uber, although I would love to see a buy-two-juices-get-a-Tesla offer.

The company's beverage brands include Allen's, Everfresh, Oasis and Del Monte, to name just a few. What's brilliant about this assortment of brands is that [each one targets a different customer](#).

Allen's is known for its basic juices, which include apple juice, fruit punch and orange juice, which come packaged in a plain blue juice box.

Everfresh is known for its tropical theme and the use of plastic juice containers, which have slightly more juice than the Allen's brands.

Oasis is known for being more edgy and is the brand behind the juice smoothies beside the orange juice aisle. It offers consumers a heartier beverage choice.

Del Monte is known for its fruit cups that are loved by some, liked by many and devoured by all.

Bottom line

If you have enough capital in your RRSP or TFSA, then Lassonde is the ideal choice for you. Despite the company paying a dividend [yield of just over 1%](#), the potential for capital gains compensates for any passive income you'd have to sacrifice.

Given that the company has been profitable in each of the past five fiscal years (with net income increasing in four of those five years) coupled with its highly diversified portfolio of brands, I highly recommend Lassonde as an investment.

And I'm not just saying that because I have a sugar rush.

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Date

2025/08/15

Date Created

2019/09/26

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