



Buy Now: The Rally in These 2 TSX Stocks Has Only Just Begun

Description

Shares of **Maple Leaf Foods** ([TSX:MFI](#)) and **AltaGas** ([TSX:ALA](#)) have jumped about 28% and 24%, respectively, in the last three months. In comparison, the benchmark index has increased by about 16%. While the three-month returns of these two TSX stocks might not be explosive, investors should note that the rally in these stocks has just begun.

Both these companies have crossed the inflection points, and their investment in fast-growing avenues has only begun to pay off.

Maple Leaf Foods

Maple Leaf Foods is likely to post strong growth in sales and profitability in the coming years, which should drive its stock higher. The company should witness acceleration in its revenue growth, driven by its plant protein business.

Investors should note that the plant-based protein category is a lucrative growth opportunity for Maple Leaf Foods. The plant-based protein continues to witness increased consumer demand. Besides, the demand is likely to sustain over the next decade, driving meaningful growth for Maple Leaf Foods.

Maple Leaf Foods has emerged as a leading player in this segment and expects to generate \$3 billion in sales from this business by 2029. Its plant protein business continues to benefit from innovation, product development, expansion of distribution network, and marketing efforts. Moreover, increased penetration in retail and food services channels should accelerate the segment's growth further.

Its plant protein business is growing swiftly both on a year-over-year and sequential basis. The segment recorded 26% growth in revenues in the [most recent quarter](#) and remains on track to accelerate the growth rate further to 30% in 2020.

Maple Leaf Foods also operates a sustainable meats business, which delivers consistent growth and supports its earnings and cash flows.

The unique mix of stability and growth [make Maple Leaf Food stock a top investment option](#). Also, the company is a Dividend Aristocrat and offers a decent forward yield of 2.3%.

AltaGas

AltaGas should gain big from the addition of its propane export terminal. The company's Ridley Island Propane Export Terminal (RIPET), which came into service last year, should accelerate the growth of its midstream business. Investors should note that its midstream business is likely to mark stellar growth, reflecting higher export volumes and increased utilization rate.

In the most recent quarter, RIPET's export volumes averaged 35,141 bbls/d, while the midstream segment's revenues marked 52% year-over-year growth. AltaGas expects the export volumes at RIPET to increase to 50,000 bbls/d by the year-end, driving the segment's revenues. Its access to premium-priced markets, growing demand for LPG in Asian markets, and demand/supply imbalance will support the exports.

AltaGas generates the majority of its revenues and EBITDA from the rate-regulated utility business that provides both stability and growth. About 70% of its utility revenues remain protected and support its EBITDA and cash flows.

The stability of its cash flows drives its payouts. AltaGas pays a monthly dividend and currently offers a lucrative yield of 6.2%. Investors should grab AltaGas not only for its stability and strong growth prospects but also for stellar dividend income.

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