



TFSA Investors: Buy North America's Safest Stock

Description

Andrew Peller ([TSX:ADW.A](https://www.tsx.com/ADW/A)) is a leading producer and marketer of [quality wines and craft beverage alcohol](#) products in Canada. The company markets wines produced from grapes and owns wineries in British Columbia, Ontario, and Nova Scotia.

The company imports wines from [major wine regions](#) around the world to blend with domestic wine to craft Andrew Peller's quality and value-priced brands. The company also produces craft beverage alcohol products and craft beer.

The company has a price-to-earnings ratio of 14.35, price-to-book ratio of 1.68, dividend yield of 2.11%, and market capitalization of \$456 million. Debt is very sparingly used at Andrew Peller, as evidenced by a debt-to-equity ratio of just 0.62. The company has excellent performance metrics with an operating margin of 13.79% and a return on equity of 12.11%.

Andrew Peller's products are sold through over 200 authorized retailers and more than 400 independent retailers across Canada, with additional distributors in the United States, the United Kingdom, New Zealand, Australia, and China.

The company delivers to customers and consumers the highest-quality branded wines, spirits, refreshments, beer, and experiences at the best possible value. Andrew Peller regularly invests in improvements in the quality of grapes, raw materials, and winemaking and distillation capabilities.

The company's wine portfolio covers the complete spectrum of price levels within the Canadian wine market. Over the long term, these products are expected to generate higher prices and increased profitability compared to lower priced products.

Andrew Peller produces products for several segments of the wine market and offers a variety of brands to meet consumer needs across demographics, product types, and quality levels. The company also produces products that cross many price points. For the value priced end of the market, Andrew Peller sources bulk international wine and blends it with lower-priced domestic wine, where the harvesting of the grapes is managed at a lower cost than for the domestic premium wine portfolio.

In order to expand market coverage and scale to grow market share, the company has expanded the product portfolio beyond wine by introducing beer, spirits, and ciders over the past several years. All of Andrew Peller's brands are positioned to maximize market coverage nationally across a range of product types and channels of distribution.

Recently, the company has also expanded into the fast-growing ready-to-drink segment with five low-calorie flavours. Andrew Peller owns two import agencies that sell and distribute premium import wines from suppliers from around the world. Both of these agencies leverage premium import wines to get the company owned wine brands on restaurant wine lists.

The company's subsidiary, Global Vintners, is the leading manufacturer and distributor of personal winemaking products. Global Vintners recently underwent a major transformation to attract new consumers, drive brand recognition, and improve product quality.

Andrew Peller is a safe business to own over the long term for all retail investors. The company is well positioned to benefit from the growth of premium wine and spirits sales in Canada. The intrinsic value of sum of parts of the company exceeds the stock price.

CATEGORY

1. Investing

POST TAG

1. dividend

TICKERS GLOBAL

1. TSX:ADW.A (Andrew Peller Limited)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Investing

Tags

1. dividend

Date

2025/07/25

Date Created

2021/02/07

Author

nikhilwaterloo

default watermark

default watermark