



ALERT: Canada's Safest Stock for Billionaires

Description

George Weston Limited ([TSX:WN](#)) was founded in 1882. The company operates through **Loblaw** ([TSX:L](#)), **Choice Properties** ([TSX:CHP.UN](#)) and Weston Foods, and it also holds cash and short-term investments.

Strong operating segments

Loblaw is Canada's [food and pharmacy leader](#), and the nation's largest retailer. The Loblaw's operating segment provides Canadians with grocery, pharmacy, health and beauty, apparel, general merchandise, financial services and wireless mobile products and services. The Choice Properties operating segment owns, manages and develops a high quality portfolio of commercial, retail, industrial, office and residential properties across Canada. The Weston Foods operating segment is a bakery serving North American customers making bread, rolls, cupcakes, donuts, biscuits, cakes, pies, and more.

The company's revenue in 2019 and 2018 was \$48.05 billion and \$46.73 billion, respectively. Choice Properties' revenue in 2019 and 2018 was \$1.29 million and \$1.15 billion, respectively. Weston Foods' revenue in 2019 and 2018 was \$2.16 billion and \$2.12 billion, respectively.

Attractive valuation

The company has a price to earnings ratio of 13.64, price to book ratio of 2.05, dividend yield of 2.34% and market capitalization of \$14.45 Billion. Debt is very sparingly used at George Weston as evidenced by a debt to equity ratio of just 1.56. The company has excellent performance metrics with an operating margin of 5.12% and a return on equity of 12.48%.

Grocery and drug powerhouse

Loblaw retail segment consists primarily of corporate and franchise-owned retail food and drug stores,

and includes in-store pharmacies. Loblaw's financial services segment provides credit card services, insurance brokerage services, and wireless mobile products and services, and operates the President's Choice (PC) Optimum loyalty program.

Loblaw is a leading provider of [apparel and general merchandise](#). Loblaw offers one of Canada's strongest control label programs, including the President's Choice, Farmer's Market and Joe Fresh brands. In addition, through the PC Optimum loyalty program, Loblaw rewards Canadian consumers for shopping.

Loblaw owns 7% of the real estate on which the company's grocery stores are located, 4% of the real estate on which franchised grocery stores are located, as well as various properties under development. PC Bank offers financial services to consumers under the President's Choice Financial brand, including the PC Financial Mastercard.

Stable consumer foods franchise

Weston Foods produces a variety of fresh, frozen and specialty bakery products. Weston Foods is also a leading provider of control brand products to retailers and consumer food companies and a supplier to manufacturers in the frozen novelty category. This segment operates in an evolving marketplace, impacted by consumers' demands for convenient, delicious and nutritious products. Weston Foods has been proactive in meeting these demands by developing a variety of products that meet these lifestyle needs such as whole grain, natural, gluten-free.

Diversified real estate arm

Choice Properties is the owner, manager and developer of a high-quality real estate portfolio of commercial, retail, industrial, office and residential properties across Canada. Choice Properties owns a portfolio comprising of 726 properties with a total gross leasable area of approximately 66 million square feet. The portfolio includes 576 retail properties, 113 industrial properties, 15 office complexes, four multifamily residential buildings and 19 development properties.

Overall, the operating segments of George Weston are resilient stand-alone businesses and should outperform the general market.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:CHP.UN (Choice Properties Real Estate Investment Trust)
2. TSX:L (Loblaw Companies Limited)
3. TSX:WN (George Weston Limited)

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