



1 Top TSX Stock to Buy Right Now

Description

Recently, **Maple Leaf Foods** ([TSX:MFI](#)) has been grabbing headline attention. News that the company is expanding its footprint substantially in the U.S. will do that. Indeed, amid market uncertainty, Maple Leaf is trudging forward. Investors seem to like this today.

Here's why I think Maple Leaf is an [intriguing pick](#) for long-term investors today.

Maple Leaf's core business model strong

Maple Leaf is a leading company in the packaged food segment. We all need to eat, and this sector is inherently defensive.

Most investors think of Maple Leaf as a meat company, and it is. The company's two primary categories are meat and plant protein.

Maple Leaf's meat protein business has been as stable as investors could have asked for in recent years. Margins are on the rise, and the company is operating extremely efficiently after reorganizing operations previously.

However, investors seem much more intrigued with the company's plant protein segment. Indeed, this is a segment which is built for growth. Maple Leaf is betting on it. The company now operates the second-largest plant-based segment in North America.

This business model has provided excellent growth in recent quarters. Additionally, it has provided investors with an increasingly robust positioning in the market, with excellent brand recognition. This has resulted in calls from some analysts that this stock could breach \$40 in the next few years.

Why's that?

Excellent earnings complement future growth prospects

Well, Maple Leaf's earnings have been excellent.

In 2020, Maple Leaf registered revenue growth of 9.2%, with \$4.3 billion in sales. Its profit obliterated last year's total of \$75 million, coming in at \$113.3 million this past year.

Additionally, Maple Leaf's strategic investments in its Plant Protein Group have set this company up for some pretty impressive growth over the medium to long term.

Currently, this company has a price-to-earnings ratio of 31 and a forward dividend and yield of 2.5%. This seems cheap in light of Maple Leaf's projections its plant protein business should expand 30% a year moving forward.

Bottom line

Judging by both the past and current performance, it's not hard to fathom some pretty impressive stock price appreciation on the horizon. For long-term investors, that's a great thing.

As a consumer staples play, Maple Leaf is one of the best defensive stocks right now. Furthermore, the company's strong core business model and sustainable long-term strategy make it an intriguing buy for conservative investors with a long-term investing time horizon.

This is a stock I'm very bullish on today and would encourage investors to take a deeper look.

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