



## Vaccine Rollout: 2 Stocks That Could Win Big

### Description

Canada's vaccine rollout is finally gaining momentum. Nearly seven million doses have already been administered. That means 3.5 million people, or 10% of the population, has been inoculated so far.

Over the next few months, I expect the pace of vaccinations to accelerate. The United States has nearly completed its vaccination drive. That means they could have spare supply soon, much of which could be sent across the border. Canada already has contracts for tens of millions of doses from all producers.

The vaccine rollout could create a boom in some parts of the economy. Gyms, restaurants, offices, and spas could finally reopen by the end of the summer. In fact, some provinces have already started reopening. With that in mind, here are the top two stocks I'm watching for the recovery trade.

### Vaccine rollout winner 1

**Loblaws Companies** ([TSX:L](#)) has kept all of its [grocery stores open](#) throughout the pandemic, which means it shouldn't expect a jump in foot traffic from the reopening. However, investors shouldn't overlook the company's pharmacies under the Shoppers Drug Mart brand.

Shoppers has been designated as a vaccine rollout hub. That means millions of Canadians could get their doses administered at one of the 1,300 Shoppers locations across the country. This unprecedented spike in foot traffic coupled with the long queues that are likely could push Shoppers' sales higher.

Meanwhile, Loblaws is trading at a perfectly reasonable valuation. The stock trades at 20 times earnings per share and offers a juicy 2.14% dividend yield. This robust recovery stock should be on your radar throughout the vaccine rollout.

### Vaccine rollout winner 2

**Recipe Unlimited** ([TSX:RECP](#)) is another overlooked winner of the recovery. The company owns several food and beverage brands that have suffered the most during the previous year's lockdowns.

Now, the company's 1,221 Canadian and 51 international outlets can reopen.

Recipe's brands include Swiss Chalet, Landing Group, Montana's BBQ & Bar, Elephant & Castle and the Keg, among others. Unlike other food brands, Recipe's business model relies on dine-in customers willing to pay a premium for the space, service and ambience. As the weather improves, people get vaccinated and pent-up demand gets unleashed, these outlets could see more traffic than ever before.

Recipe's stock is trading at 12.6 times *forward* price-to-earnings ratio. The company is also worth roughly 13.4 times free cash flow. If earnings and cash flow skyrocket over the next few months, the stock could see significant appreciation.

## Bottom line

Canada's vaccine rollout has been slower than most other countries. However, the pace is about to pick up. The economic reopening and rebound trade should be on every investor's mind for the next few months. This is a great time to find bargains if you're a value investor. It's also a good time to bet on near-term growth.

My top recovery picks are Loblaws and Recipe Unlimited.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. TSX:L (Loblaw Companies Limited)
2. TSX:RECP (Recipe Unlimited)

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