



3 Top TSX Consumer Stocks to Buy in 2021

Description

Businesses experienced unprecedented challenges last year due to the COVID-19 pandemic. Consumer spending habits changed substantially during the health crisis. As a result, some stocks performed better than others last year.

Convenience, discount, and consumer staples stocks needed to adapt by increasing delivery and curbside pick up options. Those businesses which succeeded in offering safe shopping options to customers performed well in the stock market last year.

Here are three consumer stocks on the **Toronto Stock Exchange** to consider buying in 2021.

Alimentation Couche-Tard stock fell on Carrefour SA announcement

Alimentation Couche-Tard (TSX:ATD.A)(TSX:ATD.B) stock bounced back quickly after the March [market sell-off](#) last year. Unfortunately, the company hasn't started off the year on a strong note. The stock fell by 9% in mid-January on news of a planned acquisition of **Carrefour SA**.

As of Friday, investors are trading the stock for \$37.25 per share. If the recent drop was an overreaction, then this might actually represent a good buying opportunity. The annual dividend yield is still a low 0.94% at the current price.

Claude Tessier, CFO of Alimentation, announced the renewal of the stock's share repurchase program:

“Our balance sheet, with \$6 billion of cash, on hand and available under our credit facility, remains well-positioned to support our global growth ambition. We continue to favor a balanced approach towards capital allocation and have announced the renewal of our share repurchase program representing 4.0% of the public float of our Class B shares to complement our quarterly dividend, for which an increase of 25.0% was approved on November 24, 2020.”

If you are looking for a strong stock to buy this year, Alimentation Couche-Tard is selling for a decent price on the TSX.

Dollarama is a top 2020 performer

Dollarama ([TSX:DOL](#)) stock is going strong after a fantastic run during 2020. The stock rose to a 52-week high of \$55.45 from a low of \$34.70. Investors were selling the stock for \$50.10 per share on Friday. The annual dividend yield isn't much at 0.35%.

President and CEO Neil Rossy expressed satisfaction with the firm's performance last year:

“We are very pleased with our strong performance in the third quarter of Fiscal 2021, highlighted by a double-digit increase in sales, robust same-store sales growth and an industry-leading gross margin. Our strong financial and operating results reflect the relevance of our compelling and affordable everyday products, the convenience we offer Canadian consumers from coast to coast, and our disciplined execution in maintaining well-stocked stores.”

If you want to invest in strong price momentum from last year, Dollarama is a top name in discount consumer goods. You could do worse than a long-term investment in Dollarama.

George Weston sales are strong despite pandemic

Unlike Dollarama, **George Weston** ([TSX:WN](#)) hasn't had the best year. The stock fell to \$84.01 during the March market sell-off from a 52-week high of \$111.65. At the time of writing, investors are trading the stock for \$97.04 per share. The annual [dividend yield](#) is the highest of these three stocks at 2.29%.

Galen G. Weston, Chairman and CEO, discussed the strong sales at George Weston despite the ongoing COVID-19 pandemic:

“Our financial results in the third quarter underscore the resiliency of our businesses, with each showing improved financial performance over the second quarter of 2020. Loblaw generated strong same-store sales and furthered key strategic initiatives. Choice Properties collected close to 98% of rents in the quarter and made significant progress in its capital recycling program to further improve the quality of its portfolio.”

While George Weston may not have performed well last year on the TSX, 2021 could see a turnaround

for this stock. If you want to invest in stocks that still have some room for a rebound in 2021, George Weston is a solid option.

CATEGORY

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2. Dividend Stocks
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TICKERS GLOBAL

1. TSX:ATD (Alimentation Couche-Tard Inc.)
2. TSX:DOL (Dollarama Inc.)
3. TSX:WN (George Weston Limited)

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