



Finish Your Christmas Shopping at Canadian Tire Corporation Limited

Description

If you aren't done your Christmas shopping yet, you might want to head over to your local Canadian Tire. And if you're considering a great stock to invest in, I would suggest looking at **Canadian Tire Corporation Limited** ([TSX:CTC.A](#)).

Here are a couple of reasons why the retailer should be a part of your portfolio.

This is not the same retailer it was years ago

Canadian Tire is a completely different company than it was years ago, and this is a great thing. The old brick-and-mortar company with massive sports and garden departments is still there, but there have been considerable changes within the company that are finally starting to be visible to customers.

When new CEO Michael Medline took up the role last year, he had the epiphany that the 93-year-old company was having an audience and branding problem. The company was not targeting the right customers, and it was not being perceived as it should have been. Cue the massive transformation that occurred.

The company has been repositioned as a retailer that uses cutting-edge technology to appeal to a larger segment of consumers. Some of the innovations introduced include tying sales to weather forecasts, the creation of a digital currency, and exclusive online-only deals for rewards members.

All these enhancements are for the digital-first population, who were previously not targeted. The result is that Canadian Tire now has a loyal following in a new channel that didn't even exist a year ago, pushing the company into the realm of becoming a true "phygital" (physical and digital) retailer.

For investors with an appreciation for technology in the retailer sector, this may be reason enough to jump on board with Canadian Tire. The company is truly setting up the model for other retailers to follow, which has led the company to some very impressive results.

The company is doing great

In the most recent quarter Canadian Tire reported \$3.13 billion in earnings, an increase over the same quarter last year by nearly 2%. Earnings per share of \$2.62 per share diluted reflected an increase of 20.5% over the same quarter last year, and net income was up an impressive 23.4% to \$219.9 million.

The company also hiked the quarterly dividend by 9.5%, to \$0.575 per share, giving the dividend a yield of 1.93%. A repurchase plan valued at approximately \$550 million of class A non-voting shares will span out over the course of next year, which will drive the value of existing shares up.

Canadian Tire is truly one of the best opportunities on the market for investors. With the stock currently trading at \$119 and only being down by 3% for the year, there is both considerable value and reward in purchasing some of the stock.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:CTC.A (Canadian Tire Corporation, Limited)

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