



3 Unlikely Growth and Income Stocks for Your Portfolio

Description

One of the truly incredible things about investing is that there is such a huge number of companies in the market to consider adding to your portfolio. Many companies are well-known brands that most investors tend to pass on or don't even realize are in the market.

Here's a look at some of Canada's most-well known, yet not much publicized, companies that you should consider for your portfolio.

Leon's Furniture Ltd.

Leon's Furniture Ltd. ([TSX:LNF](#)) is one of Canada's oldest and largest retailers, selling furniture, major appliances and electronics. Leon's also acquired Canada's other large furniture retailer, The Brick, several years ago. Collectively, Leon's owns over 300 stores with both the Leon's and The Brick brand across the country.

While retail is not exactly the strongest sector to invest in considering that parts of the economy remain weak, Leon's is, by far, the exception to the rule. The acquisition of The Brick three years ago was a turning point for the company and represents a significant source of growth going forward.

Why invest in Leon's?

Leon's offers investors steady growth prospects as well as a respectable dividend. Year-to-date, Leon's is up nearly 29%, and the \$0.10 quarterly dividend provides a 2.21% yield for investors. In the most recent quarter, Leon's posted an adjusted net income of \$31.3 million—an increase over the \$24.7 million posted in the same quarter last year. Same-store sales in the most recent quarter saw an increase of 4.1%.

Pizza Pizza Royalty Corp.

Pizza Pizza Royalty Corp. ([TSX:PZA](#)) is another long-time favourite stock that flies below the radar of most investors. The company is behind two of the most well-known pizza chains in the country: Pizza Pizza and Pizza 73.

Why invest in Pizza Pizza?

Over the course of the year, the stock has appreciated by 27% and pays out a monthly dividend that provides a very impressive 4.92% yield. The company is looking to continue expanding throughout the rest of the country, and the proliferation of online ordering will continue to be a boon for business in the coming years.

Speaking of expansion, despite being one of the larger chains in the country, Pizza Pizza only has locations in five provinces, meaning that opportunities over the long term for this profitable business are huge.

This is definitely a stock to buy and hold.

MTY Food Group Inc.

MTY Food Group Inc. ([TSX:MTY](#)) is yet another great investment option. MTY franchises and operates a number of quick-service restaurants across the country with a wide variety of brands.

Some of the brands MTY operates include Country Style, Cultures, Thai Express, Panini Pizza Pasta, Carrefour Oriental, La Cremiere, Tutti Frutti, Taco Time, Wasabi Grill, and over 30 other well-known brands.

MTY, under the Kahala Brands name, also owns a significant number of well-known brands operating in the U.S. market, such as Cold Stone Creamery, Planet Smoothie, Blimpie, and over a dozen other brands.

In the most recent quarter, MTY reported revenue of \$52.8 million, significantly better than the \$35 million posted in the same quarter last year. Net income for the most recent quarter stood at \$16.6 million—more than double the \$8.2 million reported in the same quarter last year.

Why invest in MTY?

MTY's brand portfolio is immense, catering to large areas and different cuisines found in both Canada and the U.S. MTY has had a great 2016; the stock appreciated over 50%, and the quarterly dividend of \$0.12 per share provides an appreciative but not stellar yield of 0.91%.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:LNF (Leon's Furniture Limited)
2. TSX:MTY (MTY Food Group)

3. TSX:PZA (Pizza Pizza Royalty Corp.)

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Author

dafxentiou

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