

## 2 Everyday Stocks to Fuel Your Portfolio Growth

### Description

One of the most gratifying experiences in investing is discovering a company that has immense potential for investment, yet is completely overlooked by investors. Often, these companies have stores or showrooms in local neighbourhoods across the country that we see daily, but we fail to associate them as investment opportunities.

Here are two everyday brands that you may have visited already today that are worth considering.

#### Leon's Furniture Ltd.: a unique investment opportunity

**Leon's Furniture Ltd.** ([TSX:LNF](#)) is a furniture store that is a perfect example of a great investment hiding in plain sight. My daily commute once consisted of walking past a Leon's showroom, and I'd never considered the company as an investment opportunity at that time.

Leon's is one of the oldest retailers in the country with a history dating back nearly a century. The company has quietly grown in recent years, primarily thanks to the 2013 acquisition of The Brick, a competitor that was, at the time, three times the size of Leon's. The \$700 million deal for The Brick increased Leon's footprint from 76 to 306 stores and solidified the company as the largest furniture retailer in Canada, with a 20% hold over the furniture sales market.

Last year, Leon's followed up with another deal, this time taking over the lease on several Sears Canada Inc. stores, including four in British Columbia, which allowed Leon's to finally enter that province.

So, what makes Leon's such a good investment?

The first reason to consider Leon's is the company's improving performance. In the most recent quarter, Leon's reported total system-wide sales of \$636 million, handily beating the \$606 million reported in the same quarter last year by 4.9%.

Net income for the second fiscal quarter came in at \$18.8 million, or \$0.26 per share, beating the \$16.9 million, or \$0.24 per share, reported in the same quarter last year. Same-store sales saw a bump of 1% in the second quarter, coming in at \$519 million.

Investors considering an investment in Leon's will be happy to note that the company pays an impressive quarterly dividend of \$0.12 per share, which, at the current stock price, results in a respectable yield of 2.73%. In terms of dividend growth, Leon's hiked the dividend by 20% earlier this year.

Despite that level of growth, the dividend payout level remains a very manageable 40%.

#### Pizza Pizza Loyalty Corp.: the dividend and growth option

Investors hungry for more than growth would do well to take a glance at **Pizza Pizza Royalty Corp.** ([TSX:PZA](#)). Pizza Pizza is the largest pizza operator in Canada, with over 700 locations scattered around the country across two growing brands.

Surprisingly, Pizza Pizza has only branched out to five provinces, which means the company still has a massive opportunity to expand into other markets. That lack of saturation is just one reason to consider the company, but the monthly dividend that Pizza Pizza offers makes investing in the stock a compelling offer.

Pizza Pizza offers a monthly dividend of \$0.0713, which translates into a very attractive 5.27% yield. In terms of growth, Pizza Pizza has appreciated over 50% in the past five-year period, making an investment in the company over the long term a great option to both dividend- and growth-seeking investors.

## CATEGORY

1. Dividend Stocks
2. Investing

## POST TAG

1. Editor's Choice

## TICKERS GLOBAL

1. TSX:LNF (Leon's Furniture Limited)
2. TSX:PZA (Pizza Pizza Royalty Corp.)

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