



Add Income to Your Portfolio With These 2 Dividend Stocks

Description

The **S&P/TSX Index** fell 0.49% on January 25 and entered the red for 2018. Resources, miners, and financials all slid on Thursday, as the Canadian dollar continued to show strength after the U.S. Treasury secretary [backed a low U.S. dollar](#) at the World Economic Forum.

The holiday season is behind us, but that does not mean that investors should stray away from companies that often see sales cool off in the late winter. Home-furnishing companies can often see an uptick in activity due to increased real estate activity in the spring. However, Canadian real estate is expected to experience a cooldown in early 2018 due to new mortgage rules and an early rate hike from the Bank of Canada.

Today, we are going to look at two dividend stocks in furniture retail that Canadians can target if they are hungry for income.

Leon's Furniture Ltd. ([TSX:LNF](#))

Leon's is a Toronto-based furniture, home appliance, and electronics retailer. Leon's stock has declined 0.65% in 2018 as of close on January 25 and has increased 1.9% year over year. The company has managed to steadily reduce its debt from mid-2014 onward. In 2017 thus far, Leon's managed to reduce its debt by almost \$50 million as we look ahead to the fourth quarter.

The company released its 2017 third-quarter results on November 14, 2017. System-wide sales were up 4.7% in the three months up to September 30, 2017, and the company posted adjusted net income of \$34.3 million, representing a 9.9% increase year over year. In the nine months up to September 30, 2017, revenue climbed by 3.9% to \$1.6 billion. The company also announced a quarterly dividend of \$0.12 per share with a 2.6% dividend yield.

Leon's is an [attractive target](#) after a slight dip and a reportedly hot holiday sales season in North America.

Groupe BMT Inc. ([TSX:GBT](#))

BMTC is a Montreal-based holding company that manages and operates home furniture and electronics retail sales networks through its subsidiaries. The stock is up marginally — 0.54% — in 2018, but it has climbed 30% year over year. The company released its 2017 third-quarter results on November 7, 2017.

In the nine months to September 30, 2017, total revenue increased 2.8% to \$565 million, and same-store revenue rose 2.5%. Net earnings jumped by \$5.4 million year over year to \$31.6 million in the third quarter. The company stated that this was due to an after-tax gross profit of \$6.3 million, and the decrease in after-tax investment income of \$1 million.

BMTC is working to revamp its entire e-commerce business by reconstructing all of its websites. This process is expected to last for the remainder of 2018, as the company looks to other areas to improve. The company announced a semi-annual dividend of \$0.12 per share, representing a 1.4% dividend yield.

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