



3 Great Investments We Pass Every Day

Description

One thing that continues to amaze me is the discovery of companies that we interact with or pass every day of our lives that go seemingly unnoticed as investment options. In fact, I've caught myself on occasion passing by a business that was bursting with customers, thinking what a great business it was without realizing that the company was, in fact, trading on the market, where it is an [incredible retail stock](#) worthy of owning.

Keeping that same notion of discoverability, here are a few promising investments that many of us pass by almost daily.

Investing in a furniture store may not seem like the most profitable of ventures at first, but **Leon's Furniture Ltd.** ([TSX:LNF](#)) offers a compelling case for long-term investors that are looking for an investment that can offer both growth and income.

In addition to the furniture the company is most known for, Toronto-based Leon's sells appliances and home electronics.

In terms of results, in the most recent quarter, Leon's generated \$601.1 million in sales, registering a 4.7% improvement over the \$573.9 million reported in the same quarter last year. Adjusted net income for the quarter saw an impressive 35.1% increase over the same quarter last year, coming in at \$500.7 million.

Much of that impressive growth, which included record-breaking revenue figures, was attributed to efforts to rein in costs and drive up traffic to stores, and management announced in the last quarter that those efforts will continue throughout the next 12-month period.

In addition to the impressive financials, Leon's offers investors a very respectable quarterly dividend which pays a 2.67% yield.

Leon's currently trades at just over \$18 with a P/E of 14.34.

Another everyday favourite worthy of mention is **Pizza Pizza Royalty Corp.** ([TSX:PZA](#)) — the name

behind both the Pizza Pizza and Pizza 73 franchises, which, collectively, have over 750 locations around the country.

Results for the first fiscal quarter of 2018 showed modest sale gains across both chains of 1.1% over the same quarter last year, coming in at \$135.3 million.

Investors contemplating an investment in Pizza Pizza should also consider the company's penetration in the overall pizza market. While Pizza Pizza is one of the largest, if not *the* largest, pizza chains in the country, the company is still concentrated around just a few provinces — specifically, Ontario and Quebec for Pizza Pizza and Alberta and British Columbia for Pizza 73.

Pizza Pizza offers investors a very appetizing monthly dividend which pays an incredible 7.01% yield, which represents a high payout level for the company. Additionally, prospective investors should take note that the company has hiked that already impressive dividend on occasion over the past few years, but that growth still pales to the growth of some of the more [aggressive income stocks](#) on the market.

Pizza Pizza currently trades at \$12.15 with a P/E of 13.98.

If in-restaurant dining is more to your liking, another option to consider is **Recipe Unlimited Corporation** ([TSX:RECP](#)). Recipe is the new name for what used to be known as Cara Operations. The recent name change was done to bring focus to the company's current portfolio of restaurant brands, which is its core business and part of its heritage as the oldest and largest full-service restaurant company in the country, moving away from its former business of providing catering services to airlines and other businesses.

In terms of a brand portfolio, Recipe includes a number of well-known Canadian restaurants, including Harvey's, Swiss Chalet, Milestone's, Montana's, Kelsey's, and Bier Markt. Recipe's unique mix of restaurants provides an intriguing opportunity for diversification and a hedge against going all-in on any one type of restaurant company.

While Recipe does offer investors a dividend, the lower 1.54% yield should hardly be the primary reason to consider an investment in the company. Instead, prospective investors should look at the rich brand portfolio that is well diversified to cater to the different tastes and price points of consumers.

Recipe currently trades at just below \$27 with a P/E of 19.16.

CATEGORY

1. Investing

TICKERS GLOBAL

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

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