



## Millennials: This 1 Stock Could Easily Double in 2020!

### Description

When you need to buy furniture to upgrade your house or to furnish a new house, where do you usually go? I'm willing to bet you go to companies such as **Leon's**, The Brick, and EQ3, just to name a few.

For residents of Quebec, Brault & Martineau has been the go-to furniture store for many decades. Its philosophy is to offer quality furniture at affordable prices, and given its expansion over the years, this strategy is clearly working out.

Investors should consider buying shares of **BMTC Group** ([TSX:GBT](#)) which is the owner of Brault & Martineau. The company is currently trading at a 10-year low, which means investors have a chance to snag shares of the company at a steep discount!

Given a strong operational performance in 2018 and a balance sheet that will rival any Fortune 500 company, there is nothing that suggests the company is experiencing turmoil, which means the stock market is giving the company an unfair valuation.

BMTC Group is a holding company that owns subsidiaries in the furniture, household, and electronic appliance categories. It is headquartered in Montreal, Quebec.

BMTC Group is worth the investment based on its [ownership of Brault & Martineau](#) and its consistent net income.

### Ownership of Brault & Martineau

For the folks that don't live in Quebec, Brault & Martineau is the Quebec equivalent of Leon's.

It was founded in 1960 by Denis Brault and Robert Martineau with a focus on quality products at an affordable price.

The company currently operates nine stores in Quebec, it has a 600,000-square-foot distribution

centre, and it employs over 1,200 people. Brault & Martineau's competitive advantage is two-fold.

Firstly, the company partners with Desjardin to offer its customers flexible payment plans. It accompanies this with a stellar customer service that includes an online chat, after-sales service, and same-day, at-home delivery.

Secondly, the company is heavily involved in the community and donates 2.5% of its net income to over 80 organizations throughout the province.

This allows the company to position itself as one that prioritizes customers, while giving back to the community.

## Consistent net income

The company's net income is greater than \$41 million for each of the past five fiscal years. Given the cyclical nature of the home-improvement industry, this consistent net income indicates that senior management is adept at running the business.

This is a good indication for RRSP investors, as the company has a loyal customer base which offers some predictability when it comes to the company's revenues in the coming years. Consistent net income also suggests that the declining share price has more to do with the market's unfair valuation of the company as opposed to internal flaws.

## Summary

With a dividend yield of 2.803%, [you can't go wrong with BMTC Group](#).

Its ownership of Brault & Martineau has immensely benefited the company. This home-improvement retailer has won the hearts of Quebecers through its top-notch customer service and its commitment to the community.

Through its flexible payment plans and the donation of 2.5% of its net income to organizations in the community, Brault & Martineau has ingratiated itself in the Quebec culture.

Its consistent net income is an assurance to investors that senior management is competent and the business will continue to be successful in the near future, which ultimately drives the share price.

## CATEGORY

1. Investing

## TICKERS GLOBAL

1. TSX:GBT (BMTC Group Inc.)

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