



## Earn 100,000% by Owning North America's Best Growth Stock

### Description

**Dollarama Inc** ([TSX:DOL](#)) operates a [chain of dollar stores](#) in Canada. The company's stores offer general merchandise, consumables, and seasonal items.

Dollarama also offers products online and the company was formerly known as Dollarama Capital Corporation. Dollarama was incorporated in 1992 and corporate headquarters is in Montreal, Canada.

The company has a price-to-earnings ratio of 26.90 and a market capitalization of 14.6 billion. The company has excellent performance metrics with an operating margin of 22.07%.

Dollarama operates 1,250 stores in Canada, and continues to [expand the company's network](#) across the country. Dollarama stores average 10,262 square feet and offer a wide range of consumer products, general merchandise and seasonal items, including private label and nationally branded products, all at compelling values.

Merchandise is sold in individual or multiple units at select fixed price points up to \$4.00. All of the company's stores are corporate-owned and operated, providing a consistent shopping experience, and many are located in high-traffic areas such as strip malls and shopping centers in various locations, including metropolitan areas, mid-sized cities and small towns.

In 2019, Dollarama also launched an online store to provide additional convenience to Dollarama customers, including individuals and businesses, who wished to buy products in large quantities that may not be available in the store.

Approximately 1,000 products, selected from the broader consumable and general merchandise offering, are available for purchase through the online store by the full case. Online product pricing is the same as in-store and shipping fees apply to all online orders.

The company's strategy is to grow sales, operating income, net earnings and cash flows by expanding the Canadian store network through the opening of 60 to 70 net new stores annually and by offering a compelling value proposition on a wide variety of merchandise to a broad base of customers. Dollarama continually strives to maintain and improve the efficiency of the company's operations.

The company recently acquired a 50.1% interest in Dollarcity and, thereby, established a second growth platform to complement Dollarama's Canadian growth strategy.

Dollarcity offers a broad assortment of consumable products, general merchandise and seasonal items at select, fixed price points up to US\$3.00 (or the equivalent in local currency) through 192 conveniently located stores in Colombia, El Salvador and Guatemala. Dollarcity plans to continue to grow the store network in these countries in the years ahead.

Dollarcity's growth target for the calendar year 2019 is 40 to 50 net new stores. In the first half of calendar year 2019, Dollarcity opened 23 net new stores.

In 2019, Dollarama's sales increased by 9.0% to \$946.4 million and comparable store sales grew 4.7%, over and above a 2.6% growth the previous year.

The company's gross margin was 43.7% of sales and earnings before interest, taxes, and amortization (EBITDA) grew 3.5% to \$281.6 million or 29.8% of sales.

Operating income grew 2.7% to \$221.6 million, or 23.4% of sales. In the most recent quarter, Dollarama opened 14 net new stores, compared to 8 net new stores during the corresponding period of the previous fiscal year.

Dollarama has been one of North America's best growth stocks and the company continues to grow rapidly. The company's stock price is expected to increase at a fast clip over the next decade.

## **CATEGORY**

1. Investing

## **POST TAG**

1. dividend

## **TICKERS GLOBAL**

1. TSX:DOL (Dollarama Inc.)

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