



Buy the Best Dividend Stock in North America

Description

Leon's Furniture ([TSX:LNF](#)) is the largest network of home furniture, appliances, electronics, and mattress stores in Canada. The company's retail banners include Leon's, The Brick, Brick Outlet, and The Brick Mattress Store. The company operates three e-commerce sites: leons.ca, thebrick.com, and furniture.ca.

The company has a price-to-earnings ratio of 11.47, a price-to-book ratio of 1.32, and market capitalization of \$1.15 billion. Debt is very sparingly used at Leon's Furniture, as evidenced by a debt-to-equity ratio of just 0.69. The company has excellent performance metrics with an operating margin of 7.17% and a return on equity of 12.79%.

The company's repair service division, Trans Global Services (TGS), [provides household furniture](#), electronics, and appliance repair services. TGS has contracts to support several manufacturer's warranty service work in addition to servicing a number of individual programs offered by other dealers. This division also performs work for products sold with extended warranties and is an integral part of the retail offering.

These extended warranties, underwritten by the company's wholly owned subsidiaries, are offered on appliances, electronics, and furniture to [provide coverage](#) that extends beyond the manufacturer's warranty period by up to five years.

The company's wholly owned subsidiaries, Trans Global Insurance company (TGI) and Trans Global Life Insurance company (TGLI), also offer credit insurance on the customer's outstanding financing balances and third-party customer balances. This credit insurance coverage includes life, dismemberment, disability, critical illness, and involuntary unemployment. These credit insurance policies are underwritten by TGI and TGLI, as they are licensed as insurance companies in all Canadian provinces and territories.

Leon's Furniture has foreign operations in Asia and the Caribbean through the company's wholly owned subsidiaries, First Oceans Trading, and King & State Limited, respectively. These operations relate to the company's import and quality control program for sourcing products from Asia for resale in

Canada through Leon's retail operations, and the retail banners that sell extended warranties on appliances and electronics.

The corporation owns a chain of 50 retail furniture stores operating as Leon's Furniture and 114 stores operating as The Brick. These stores offer a full complement of value-priced, quality brand name, and private label household furniture, home electronics, home office products, appliances, and mattresses manufactured and supplied by well-known manufacturers. In addition, the corporation operates 11 stores branded as The Brick Outlet.

The Brick Outlet features the full Brick lineup plus special buys, last chance discontinued, one-of-a-kind, and clearance products. The Brick Mattress Store offers specialty mattress locations, which carry extended product lines over and above those typically carried at The Brick locations. It is designed to compete with independent national bedding chains, and features mid- to high-end product lines, including national brands and exclusive specialty products.

The company operates four showrooms in Ontario under the banner Appliance Canada, which sell higher-end appliances, electronics, and mattresses to the public. The company appears confident that sales and profitability will increase. Given the company's strong financial position, Leon's principal objective is to increase market share and profitability.

Leon's Furniture is focused on investing in digital innovation, which should drive more customers to the company's stores and e-commerce platforms.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:LNF (Leon's Furniture Limited)

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1. Business Insider
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Date

2025/08/26

Date Created

2020/01/08

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