



Canada's Safest Stock: 1 Business to Own for 100 Years

Description

Metro ([TSX:MRU](#)) is a [food and pharmacy leader](#) in Québec and Ontario. As a retailer, franchisor, distributor, and manufacturer, the company operates a network of 953 food stores under several banners including Metro, Metro Plus, Super C, Food Basics, Adonis and Première Moisson. The company also services about 650 drugstores primarily under the Jean Coutu, Brunet, Metro Pharmacy and Food Basics Pharmacy banners, providing employment to almost 90,000 people.

Popular company banners

The company operates under [different grocery banners](#) in the conventional supermarket and discount segments. For consumers seeking a higher level of service and a greater variety of products, the company operates over 300 supermarkets under the Metro and Metro Plus banners. About 200 discount stores operating under the Super C and Food Basics banners offer products at low prices to consumers. The Adonis banner, which currently has nearly 15 stores, is specialized in fresh products as well as Mediterranean and Middle-Eastern products.

Metro also operates Première Moisson, a banner specialized in premium quality artisan bakery, pastry, and deli products. Première Moisson sells products to the company's stores, restaurants and other chains as well as directly to consumers.

Response to COVID-19

Metro's response to COVID-19 was admirable. In a matter of days, the company's entire network was equipped with plexiglass panels at checkouts and service counters as well as floor stickers to ensure social distancing. Cleaning measures were reinforced, and the frequency increased. Additional staff was assigned to store entrances to greet and control the number of customers and to clean the carts.

Despite COVID-19, sales for fiscal 2020 totalled \$18 billion versus \$16.78 billion for fiscal 2019, an increase of 7.3%. Excluding the impact of the adoption of IFRS 16, sales were up 7.7%. Net earnings for fiscal 2020 were \$797 million, an increase of 11.5% from \$714.4 million for fiscal 2019.

Long-term business strategy

Independent owners are bound to the company by leases or affiliation agreements. The company also acts as a distributor for independent neighborhood grocery stores and as franchisor and distributor for several drugstores. The company operates over 70 drugstores in Ontario under Metro Pharmacy banners. The company is also active in generic drug manufacturing through a wholly-owned subsidiary, Pro Doc Ltée.

As a leader in food and pharmacy in Eastern Canada, Metro provides essential services to communities. The company focuses on ensuring the health and well-being of communities, and offers an excellent customer experience. A key differentiator of Metro is the company's proactive effort to exceed customers' expectations every day. The three pillars of Metro's business strategy include customer focus, operational excellence and financial discipline.

Customer focus

The company puts the customer at the heart of every decision. Metro focuses heavily on providing friendly service, a pleasant and efficient shopping experience, quality products and competitive prices. The company also focuses on employee growth, leadership development and succession planning to ensure Metro's continued strength.

Operational excellence and financial discipline are achieved through high operating standards, a results-driven corporate culture, engaging all employees and monitoring performance. Metro's business strategy is based on corporate responsibility to ensure profitable growth for employees, shareholders, business partners and the communities.

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