



Forget Meme Stocks: Here's 1 Solid Retail Stock for Long-Term Investors

Description

The Canadian retail space has largely flown under the radar of late, at least in terms of meme stocks.

Yes, **BlackBerry** has managed to crack the meme stock list investors have looked at. However, most Canadian retail names haven't made the cut.

With retail stocks taking off of late, various [Canadian retailers](#) that have stayed slow and steady throughout this madness may be worth a look right now. In this light, I think **Metro** ([TSX:MRU](#)) is an interesting pick.

Here's why.

Raking in the profits

Metro's e-commerce sales nearly tripled at a rate of 240% year over year. You read that right.

Unlike other retail stocks that have the *promise* of e-commerce growth, Metro has enacted a strategy that's working. Meme stock or not, Metro has proven its ability to grow its e-commerce exponentially during the pandemic. In a highly competitive sector, that's impressive.

Indeed, this e-commerce growth bled through to the company's overall results. The Montreal-based retail grocery and pharmaceutical chain in Canada, reported a 5.1% increase in Q2 sales.

That's too good to go unnoticed, right?

This amounted to adjusted earnings of \$0.78 per share. The company's retail same-store sales actually increased by nearly 6%. That's impressive, considering the issues the pandemic has brought about. Metro has attributed this growth to the enhancement of its online capacity and the adoption of digitized systems, such as self-checkout and electronic shelf labels. These sorts of innovations are likely to bring more in the way of earnings beats on the horizon.

Furthermore, Metro's footprint is impressive. The company's planning on increasing its existing footprint to include nearly 130 new click-and-collect stores. With this sort of growth outlook on the horizon, it's hard to look at the company's previous numbers and think similar impressive results aren't on the horizon.

Bottom line

Metro is a company that has proven itself to be a solid, stable retail gem for long-term investors.

For those with an income mandate, Metro has you covered. The company's steadily grown its dividend over the past five years and is likely to continue to do so for decades to come. While Metro's share price has remained relatively flat this year, the company's earnings tell a different story.

Thus, I believe there's a tremendous amount of untapped value with Metro stock today. Those seeking defensive stocks in this environment of otherwise [overvalued](#) equities ought to consider this retail stock today.

There's certainly no meme status ascribed to Metro, in any shape or form. However, that's exactly what long-term investors should look for today.

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1. Dividend Stocks
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