



This Grocery Stock Is a Better Buy Than Shopify (TSX:SHOP) and Royal Bank (TSX:RY)

Description

The largest publicly-listed companies, **Shopify** and the **Royal Bank of Canada**, are market movers. However, they're not necessarily the stocks you must buy today. The **North West Company** ([TSX:NWC](#)) is not as famous as the tech superstar or top lender, but it has the [staying power](#). It can deliver consistent returns and enduring income to would-be investors.

Price comparison

Most investors base their investment decisions on a company's fundamentals. Shopify, RBC, and North West Company have them. If price is your consideration, the retailer is the [inexpensive choice](#) at \$36.56 per share. The e-commerce titan is too pricey at \$1,910.08, while the top-tier bank sells for \$126.28.

Performance-wise, Shopify (+32.89%) outperforms RBC (+24.17%) and North West (+15.01%) year-to-date. Income-wise, you'll derive gains from Shopify when you buy low and sell high. Since RBC and North West are [dividend stocks](#), you'll earn two ways: capital gains and dividends. The bank stock pays a 3.42% dividend, while the grocer offers 3.96%.

If you have \$10,000 free cash to invest today, North West is a better deal than Shopify and RBC. Your money can buy 270.56 shares of the grocer compared to 79.19 shares of the bank stock and only 5.23 shares of the e-commerce platform.

Investment thesis

There's so much to like about North West. The roots of this \$1.77 billion company date back to 1668, with the early stores in Canada and Alaska. In 2021 or 353 years later, it's now the leading retailer to underserved rural communities and urban neighborhoods in Northern & Western Canada, rural Alaska, the South Pacific islands, and the Caribbean.

No enterprise could come close to North West's core strengths. The retailer has learned to adapt to the changing environment and consumer behavior and align its product mix to every market it serves. North West also has the logistics expertise to move or bring products to hard-to-reach or far-flung areas.

Aside from everyday needs and other in-demand products, North West offers a wide range of financial services through We Financial. Customers can order non-perishable and general merchandise items from Sealift Express, a seasonal web-based ordering program.

Furthermore, North West has companies that serve as its healthcare arms. AMDocs provides community-based physician services. North West Telepharmacy handles remote pharmacy services, while Northern / NorthMart Pharmacy offers healthcare solutions to rural, remote, Indigenous, or otherwise underserved communities in Canada.

The reach of North West is far and wide. Likewise, its international retail and wholesale banners have grown in number. Alaska Commercial Company, Cost-U-Less, Quickstop, AC Financial, and Pacific Alaska Wholesale are the household names in the communities.

Business performance

In Q1 fiscal 2021 (quarter ended April 30, 2021), management reported a 225% and 189% increase in net earnings and earnings from operations versus Q1 fiscal 2020. Erstwhile President & CEO Edward Kennedy retired from the post with North West still growing. He said his replacement would take over a leaner cost structure, more profitable retail businesses, and less volatile enterprise overall.

Never-ending potential

Dan McConnell, the new company CEO effective August 1, 2021, said, "North West is a company with never-ending potential." Shopify and RBC are TSX's goliaths. However, as one of the longest continuing retail enterprises globally, the North West Company will not disappoint investors, ever.

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