



1 Overlooked Canadian Stock Offering Stability, Income, and Growth

Description

Some of the best stocks are companies that offer stability and income. Or, other times, you can find a stock that provides stability and growth. However, it's much rarer to find a Canadian stock that offers all three qualities. And often, when you do, they are some of the best stocks to buy for the long run.

[Warren Buffett](#) always advises investors that when you invest, think of the entire business you are buying ownership of rather than just the stock you're buying.

When we buy a company we want to own for years, naturally, we want it to be as stable as possible. We want a business that is consistently profitable and can survive recessions and face headwinds, coming out the other side stronger.

However, we also want a business that can consistently grow. It's great to own a profitable asset, but it's crucial that it consistently grows its operations and profitability, increasing both the value of your investment and the money available for distribution.

This way, you can also generate cash flow from your investment, which you can use to buy more shares or find new investments and grow your portfolio.

This is why any time you can find a stock that offers growth, stability, and that pays a significant income, it's likely worth an investment. So, if you're looking for a high-quality Canadian stock to buy today, especially in this uncertain environment, I'd recommend investors consider **North West Company** ([TSX:NWC](#)), which I think has been overlooked.

North West Company: A top Canadian stock to buy now

North West is a [consumer staple stock](#) that operates supermarkets in remote areas and communities in Alaska, northern Canada, and the Caribbean.

Its stores that operate in these remote communities selling food, household goods, clothing, and even financial services can face little competition. Furthermore, because these stores sell essential goods,

they are crucial to the communities they serve, giving them a tonne of natural resiliency.

Of course, in many ways, the pandemic acted as a tailwind for the Canadian stock. During shutdowns, consumers could still buy non-essential goods while they were getting their groceries.

However, the pandemic did weigh on North West's operations in the Caribbean. Although some may argue that North West faces tougher comps over the coming quarters as we emerge from the pandemic, some of that will be offset from its stores in tourism destinations.

North West's highly robust and diversified business operations make it an excellent company to own long term. But because it's also been reducing its costs significantly and improving its margins, the company has also shown it can grow its profitability quite considerably as well.

In just the past few years, the Canadian stock purchased its own cargo airline and brought the maintenance in-house. Plus, it's also sold non-core assets, both of which have helped improve its margins and the efficiency of its operations significantly. This has led to its operating margins to nearly double in the last couple of years, as its revenue has grown by just 10%.

Bottom line

North West is an excellent company to buy for the core of your portfolio and hold for years. First and foremost, the Canadian stock is a high-quality business in a highly defensive industry. However, it's also an impressive growth stock that pays a consistently increasing dividend, which yields over 4.4% today.

If you're looking for a high-quality stock to buy now, North West is one of the top Canadian Dividend Aristocrats to consider.

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