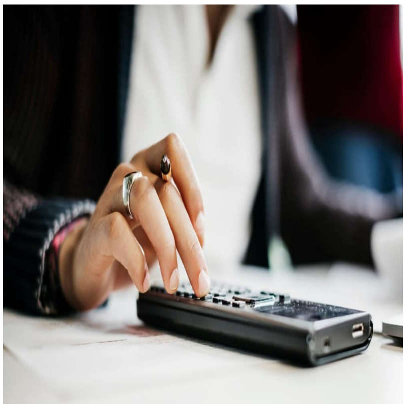

1 Dividend Stock Up 33% to Help You Sleep at Night

Description

If there was one thing Canadians wanted during this pandemic, it was a good night's sleep. You really start to appreciate that when you're in isolation for months on end. And the benefactor of that realization was a dividend stock that's now up 33% in 2021 alone.

Yes, **Sleep Country Canada Holdings** (TSX:ZZZ) continues to see strong growth, even during this recent fall on the **S&P/TSX Composite Index**. While there has been a slight pullback, overall this creates an opportunity for Motley Fool investors. Let's look at why.

Recent growth

Sleep Country has been on a tear recently, creating new ways of helping Canadians sleep better. And of course, lining their pockets in the process. Most recently, the dividend stock invested $500,000 for a 25% stake in Sleepout. This startup specializes in blackout curtains to help people sleep in a completely darkened room.

Last month, Sleep Country announced a partnership with Well.ca, one of the largest health and wellness e-commerce retailers in the country. Before that, the dividend stock announced its Dormez-vous retailer will open "express" stores inside three Quebec **Walmart** (NYSE:WMT) locations. These partnerships alone demonstrate how the company continues to find new ways of reaching customers, both in store and online.

Beating estimates

The dividend stock beat revenue estimates during its latest earnings report. However, it was merely the latest in revenue-beating estimates as the company continues to expand its growth. During the latest report, Sleep Country announced 13% revenue increase year over year, same-store sales up 10.6%, and e-commerce sales rising 18%. Net income was up 19.5%, with its diluted adjusted earnings per share (EPS) rising 19%.

The company reminded shareholders of the many ways it’s bringing in revenue. These include through its Casper and Endy mattress brands, Hush Blankets where it has a 52% ownership, and the continuing Walmart partnership.

Dividend growth

All this could lead to more dividend growth in the company’s future. But it for sure is leading to more share growth. While Sleep Country is down 7.5% from its 52-week highs, that’s nothing compared to some of its peers. And with analysts giving a target price of $45, that represents a 22% upside as of writing.

Still, today you can lock in a dividend yield of 2.12% before shares climb higher. That dividend has remained as is since May of 2019. So shareholders are more than due for an upgrade given recent growth.

To reach the growth seen in prior years, that could represent an increase of 13%. Something you’ll absolutely want to bring into your dividend stock portfolio while the price is still down.

Bottom line

Sleep Country offers investors substantial revenue growth, returns and dividends to boot. The company continues to seek out growth opportunities even during lockdown restrictions when consumers can’t visit in store. It’s unlikely that this company will experience a substantial loss any time soon, especially as Walmart opportunities expand. So it would be wise for Motley Fool investors to add this dividend stock to their watchlist today.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:WMT (Wal-Mart Stores Inc.)
2. TSX:ZZZ (Sleep Country Canada)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. alegatewolfe
2. gsmiley

Category

1. Dividend Stocks
2. Investing

Date
2025/08/14
Date Created
2021/12/21
Author
alegatewolfe