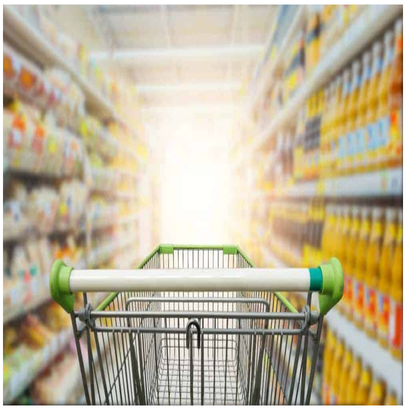

Find Growth Stocks in Different Segments of the Market

Description

Is your portfolio diversified? Investors frequently ponder the answer to that question. Fortunately, the market gives us plenty of options to consider that can help meet that need. Among those options are some superb growth stocks to consider. But where can investors look to find those opportunities?

Here's one option you may want to consider adding.

There's more than food here

Some of the best investments to add to your portfolio are those that we interact with on a daily basis. One such example to note is **Metro** (TSX:MRU). Metro is one of the largest grocers in Canada, with over 900 locations mostly in Quebec and Ontario. In addition to those grocery stores, Metro also owns a network of over 400 Jean Coutu pharmacy locations.

The pharmacy network continues to see strong growth, but there's an often-disregarded opportunity that lives online. Grocers are often dismissed as a viable online business option. This is because food shopping is perceived as more of a personal preference experience as opposed to shopping for other items.

That view started to change during the pandemic. For Metro, online food sales have surged 167% since the pandemic began. To meet that growing demand and opportunity, Metro is building out a model whereby certain hub stores become fulfillment centres for online delivery orders.

So far, Metro has developed 14 hub stores in addition to the 185 stores that offer the company's click-and-collect service. Some areas of Montreal and Toronto already have a two-hour express delivery window.

As that service expands, investors can expect Metro's stellar growth to continue. For many investors, this may be reason enough to see Metro as one of the core growth stocks to invest in. Fortunately, there's still more to consider.

Results are good…

Metro provides a necessary service for which there is no alternative. During the pandemic, Metro stores remained open while most other businesses were closed. This makes the company a great defensive option for any portfolio. This is also something investors will be hunting for given recent volatility.

More specifically, recent inflationary pressures, and the impact of those rising costs on the grocery business may worry investors. Let's calm those fears by looking at Metro's recent financials.

During the most recent quarter, Metro reported sales of $4.3 billion, which was up over 7% over the same period in 2020. Food same-store sales dipped 1.4% yet still topped 8.5% over the same period in 2020.

Overall, the company earned $207.7 million, reflecting a handsome gain of 8.6%. On a per-share basis, Metro earned $0.85 per diluted share, reflecting a handsome 11.8% jump over the prior quarter.

The future looks better for growth stocks

In addition to the strong results, Metro also announced a dividend of $0.275 per share. This translates into an impressive 10% bump over the same period last year. For those investors new to Metro, this continues a policy of annual increases stemming back over two decades.

In other words, in addition to long-term growth and its defensive appeal, Metro is a great buy-and-forget stock. The current yield works out to a respectable 1.49%.

In my opinion, Metro remains a stellar investment for investors seeking one or more growth stocks that can also offer income-earning opportunities.

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Date
2025/06/29
Date Created
2022/01/28
Author
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