



## 5 Things To Know About Dollarama Stock

### Description

One of the best Canadian stocks that you can buy and hold for years has been **Dollarama** ([TSX:DOL](#)) stock. In fact, over the last decade, the stock has earned investors a total return of roughly 780%. That's a compounded annual growth rate of 24.3%.

Despite this incredible growth, Dollarama is showing little signs of slowing down and continues to be one of the best investments to buy and hold for the long haul.

In fact, here are five impressive facts about Dollarama that show just why it's one of the top stocks to consider today.

### Dollarama stock offers investors both defence and growth

One of the main reasons why Dollarama is one of the top stocks in Canada is that it's both a defensive stock and a growth stock. In most cases, when you're looking to buy stocks, you have to compromise and choose one over the other.

Growth stocks are great during bull markets but can fall significantly when the market sells off. For example, look at how high-growth [tech stocks](#) performed throughout the last year.

Defensive stocks are great in times of uncertainty. However, a lot of them tend to underperform the market during bull markets.

Dollarama offers both defence and growth potential, though. It's consistently growing its sales and expanding its operations. Yet, it also thrives when the economy is worsening, and consumers are incentivized to try and find deals at its stores.

So it's no surprise that Dollarama massively outperformed the market in 2022.

### Dollarama earned investors a total return upwards of 25% in

## 2022

While many stocks sold off in 2022, and even the broader market lost value, Dollarama was one of the few stocks that actually gained value and recorded an impressive year.

Dollarama didn't just earn positive returns by a few percent. It earned investors a total return of 25.5%, a massive outperformance compared to the **TSX**, which lost roughly 8.7% in 2022.

### It continues to open new stores each year

Although Dollarama has been an incredible growth stock for years and constantly increasing its store count across the country, the company is showing no signs of slowing down.

It continues to plan to add new stores each year, in addition to seeing higher traffic in its stores.

Furthermore, on top of the growth you can expect from its domestic operations, Dollarama owns a 50% interest in Dollarcity, a Latin American dollar store chain. Dollarcity has been growing rapidly for years, expanding into new countries. The value retailer now plans to add over 50 locations per year through 2029.

### Dollarama stock is a Canadian dividend aristocrat

Dollarama pays very little cash back to investors, and its dividend currently [yields](#) roughly 0.25%. Still, the stock is a dividend aristocrat that's increased its dividend every year for over a decade.

That may not seem very important, given Dollarama retains most of its earnings to invest in growth. Importantly, it shows that Dollarama could begin to pay a higher dividend in the future should its growth potential eventually slow down one day. However, as you'll see below, that may not come for some time.

### Analysts expect revenue will continue to grow at an exceptional pace

Even after Dollarama has consistently grown its operations for multiple decades now, it continues to have excellent growth potential going forward thanks to both its domestic operations as well as the investments it's made in recent years, such as Dollarcity.

In fact, analysts estimate that for 2023, Dollarama can grow its sales by nearly 15% year over year and in 2024 by over 9%. Furthermore, analysts also expect Dollarama's [margins](#) can improve as well.

Therefore, its earnings before interest, taxes, depreciation and amortization (EBITDA) are expected to grow even faster than sales in 2023, up nearly 17% year over year. Analysts also expect EBITDA growth to outpace revenue in 2024, too, by gaining almost 12% year over year.

So if you've been looking for a high-quality stock that you can buy and hold with confidence no matter what the market environment, Dollarama has proven time and again what an impressive business it is.

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