3 Must-Own Growth Stocks for Canadians

Description

When many non-growth-oriented investors think of growth stocks, they may think of high-risk, high-reward scenarios with tech stocks whose businesses they really don't understand too well. To those investors, high dividend-paying stocks are usually the safer way to go; after all, the high dividend pads the volatility when the markets get ugly.

I believe growth stocks are the essential core to the portfolios of investors who are a decade or more away from their expected retirements. Dividend stocks may be safer, but growth stocks aren't as risky as they may seem. If you understand the business behind the growth stock, then an investment could offer huge long-term rewards to those who are patient without an absurdly high amount of risk.

If you're a Canadian who's hungry for growth, then consider these three top-notch growth plays today.

Shopify Inc. (TSX:SHOP)(NYSE:SHOP)

Shopify is an e-commerce powerhouse that surged over 140% in the past year. Although the company isn't profitable, it is growing its subscriber base at a ridiculous rate, and the losses are quickly shrinking.

The company recently crushed analyst expectations with its latest second-quarter results, which saw total revenues increase by a whopping 75% year over year to US$151.7 million. Gross profits surged 83% year over year to US$86.8 million.

E-commerce is a great place to be as a growth investor, and despite soaring nearly 250% from its IPO, Shopify is still in the early stages of its growth cycle.

Restaurant Brands International Inc. (TSX:QSR)(NYSE:QSR)

Restaurant Brands International is the fast-food company that's looking to take over the industry one acquisition at a time. The incredible management team in 3G Capital has the experience and the smarts to bring huge long-term value to shareholders through its same-store sales growth initiatives as well as its expansion and strategic acquisitions plans.

There’s a reason why Warren Buffett, the greatest investor of all time, owns preferred shares of QSR. The company has a repeatable strategy which can deliver huge earnings growth over the long term, and an impressive portfolio of brands that few companies can match in Burger King, Tim Hortons, and Popeyes Louisiana Kitchen.

Like Shopify, Restaurant Brands International is still in the very early stages of its growth cycle and, as the name suggests, many acquisitions are likely to be made over the next decade.

Spin Master Corp. (TSX:TOY)

Spin Master is a small-cap toy company with a real talent for developing massive hits in the toy market. The management team has a strong portfolio of brands which continues to grow both organically and through acquisition.

The company’s ability to produce innovative and refreshing IP from its pipeline is a major reason why I believe the company will be a huge winner for investors over the long run.

Many investors may be unaware of the company now, but over the next few years, count on Spin Master to make huge noise as it continues its impressive growth streak.

Which is the best bet?

I’d have to go with Restaurant Brands International because of the company’s ability to consistently deliver each quarter. Although shares aren’t cheap, investors need to realize the true long-term potential behind its impressive portfolio of brands.

I also believe QSR will be an outperformer in the event of the next recession because of the staple-like nature of its fast-food chains which offer terrific value to the average consumer relative to dine-in restaurants in times of turmoil.

Stay smart. Stay hungry. Stay Foolish.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:QSR (Restaurant Brands International Inc.)
2. NYSE:SHOP (Shopify Inc.)
3. TSX:QSR (Restaurant Brands International Inc.)
4. TSX:SHOP (Shopify Inc.)
5. TSX:TOY (Spin Master)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise

4. Yahoo CA

Category

1. Investing

Date
2025/08/26
Date Created
2017/08/09
Author
joefrenette