



## 2 Must-Own Growth Stocks for Consistency and Stability

### Description

As investors, we are always looking for growth stocks to give our portfolios that kick. But we are always aware of the trade-off between growth and risk, and sometimes that trade-off is not worth it.

Here are two stocks that represent the best of both worlds: growth and stability.

**CCL Industries Inc.** ([TSX:CCL.B](#)) has a long and consistent history of beating expectations, dividend increases, strong returns, and consistent cash flow generation. This history looks set to continue, as the company continues to consolidate the highly fragmented label industry.

With two major acquisition under its belt recently (the \$500 million acquisition of Avery and the \$842 million acquisition of Innovia) and numerous smaller “tuck in” acquisitions, the company is well along the way in its quest to expand geographically as well as into different product markets.

Most recently, CCL acquired 100% of a Chilean venture and has made clear its plans to invest heavily in that region, further driving its geographic diversification.

The company has grown from revenue of \$1.2 billion in 2009 to revenue of \$3.9 billion in 2016 for a cumulative annual growth rate of 18.3%.

The corresponding increase in free cash flow has been even more impressive. In 2009, the company generated \$52.3 million in free cash flow, and in 2015, it generated \$329 million for a cumulative average growth rate 30%.

During this time period, the stock increased from just over \$4 (adjusted for stock splits) to its current price of almost \$65 per share.

Back in May 2016, **Waste Connections Inc.** ([TSX:WCN](#))([NYSE:WCN](#)) bought Toronto’s Progressive Waste Solutions in an all-stock deal, thus creating the new Waste Connections Inc., with Progressive Waste Solutions shareholders owning approximately 30% of the new company and the old Waste Connections shareholders owning the remaining 70%.

The new combined company is the third-largest solid waste company in North America.

With a history of share splits, beating expectations, and strong free cash flow generation, Waste Connections is another growth name that investors can feel comfortable with.

The stock has returned 335% since 2009, and evidence points to the next 10 years being just as successful.

With growth being fueled by the fact that the company will continue to consolidate the solid waste industry, investors can feel confident by noting the exemplary track record of this company.

The company has a history of strong cash flow generation, and the acquisition of Progressive Waste Solutions has stepped this up dramatically. In the second quarter of 2017, cash from operating activities doubled to \$552 million, and free cash flow more than doubled to \$349 million.

In a nutshell, Waste Connections is a solid, well-run company that is poised to continue to do well even in a weak economy due to the defensive nature of its business.

## CATEGORY

1. Investing

## POST TAG

1. Editor's Choice

## TICKERS GLOBAL

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2. TSX:CCL.B (CCL Industries)
3. TSX:WCN (Waste Connections)

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**Author**

karenjennifer

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