



My Top Growth Stock for the Next Decade

Description

You don't need a portfolio full of explosive growth stocks to become rich over the long run. All you need is one growth stock whose business has a durable competitive advantage and a means to increase its earnings by a respectable amount.

It's tough to think that far ahead, but if you narrow it down to one stock, you have the opportunity to do your homework and determine whether or not the stock you're analyzing is worth loading up on and holding for the next decade and beyond.

Spin Master Corp. ([TSX:TOY](#)) is a stock I've been recommending for nearly a year. It has soared over 60% during this time span. Although the company has only been public for just over two years, it's apparent to me that the management team has an incredible vision, and they've been incredibly humble in spite of their major successes. Hatchimals was an incredible IP; its explosive demand caught even the most bullish of analysts by surprise, and the result was a skyrocketing stock price.

Sure, toy companies can be fickle at times due to the effects of seasonality. Such companies can also be hit or miss depending on the new products coming out of the pipeline, but I believe Spin Master is different. The company has innovation in its veins, and the toys it creates are very appealing, even to adults!

Not only is Hatchimals a cute toy for kids, but the hatching process is a remarkable experience that amazes children and their families alike. Hatchimals was originally considered a toy aimed at a younger female audience, but the actual market for the toy was a lot larger! Kids and teens of both genders loved the toy, and, as a result, Hatchimals became nearly impossible to get a hold of last holiday season.

Many pundits think that Hatchimals is a fad, but I think it's a brand with staying power, as demonstrated by new versions of the toy (Hatchimals 2.0) and spin-off products in the Hatchimals universe, like CollEggtibles and Hatchimals Surprise. All of these products, I think, will be huge successes in the upcoming holiday season, and the best part is, Hatchimals isn't the only talk of the town as we head closer to Christmas Day.

A new product from Spin Master is Luvabella; it has been dubbed the must-have toy for Christmas 2017 and could potentially be another Toy of the Year candidate for Spin Master. The doll is incredibly life-like and has both parents and children amazed by the tech that went into the toy.

Bottom line

On the surface, Spin Master looks like just another toy company that's enjoying a seasonal upside, but the fact of the matter is, the strong season is coming up, and Spin Master has been surging at a time when many other toy companies take breathers.

I think Spin Master is going to have another remarkable holiday season, which could send shares skyrocketing once its Q4 2017 numbers are released. The stock has been a hidden gem for quite some time, but after the upcoming holiday season, I think many major institutional investors are going to start to notice Spin Master for what it really is: a rapidly emerging company that could one day be a number one player in the children's entertainment space.

Stay smart. Stay hungry. Stay Foolish.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:TOY (Spin Master)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Investing

Date

2025/08/17

Date Created

2017/10/20

Author

joefrenette

default watermark