The Top 3 Growth Stocks for a Long-Term Portfolio

Description

For those seeking long-term investments with above-average rates of growth, the good news is that there are a number of excellent names available in Canada that have excellent track records in addition to huge potential for the future. While certain industries or companies are still in the process of turning the corner from negative cash flows to positive cash flows (known as the emerging growth phase), there are others that are further along the way in this process and may transition into a GARP (growth at a reasonable price) investment.

MedReleaf Corp. (TSX:LEAF) is currently trading at a share price of $11. It has managed to turn negative cash flow from operations (CFO) to positive $12 million in the past full fiscal year. To make things even more exciting, the company has recently turned a small profit, leading to a trailing price-to-earnings (P/E) ratio of more than 120 times. The marijuana grower is one of the leading producers and the only major player with an ISO certification, which will be a big selling point when the product becomes legal in less than one year.

Given that young consumers are demanding higher standards, governments selling the product will be able to offer this as a form of product differentiation in an otherwise commodity-like market. The timeline for patient investors seeking a high amount of growth with this name can be as long as a decade or even more.

For those seeking a security which is already turning a profit, shares of **Dollarama Inc.** (TSX:DOL) have an excellent track record of growing both revenues and earnings. Since fiscal 2014, the company has seen revenues increase from $2,064 million to $2,963 million in fiscal 2017 (ending January 31, 2017). The earnings per share (EPS) increased at a much higher rate — more than doubling from $1.74 to $3.71 for the most recent fiscal year.

Investors wanting to round out their portfolios with a more traditional business can consider shares of **Equitable Group Inc.** (TSX:EQB), which has seen an increase in revenues from slightly less than $500 million for fiscal 2013 to more than $664 million for the 2016 fiscal year. Although interest rates have declined substantially over a number of years, the company has still increased revenues, which have led to an increase in profits over the past four years. With revenues increasing at a rate of 10%, shareholders should rest assured, as the company’s EPS have increased at a rate of more than 13%. With a clear improvement in operating efficiency, shareholders of this growing financial company have a lot to look forward to.

With so many fantastic growth names to choose from, Canadian investors need not look very far for high-quality, high-growth names with plenty of runway for growth over the next decade.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:DOL (Dollarama Inc.)
2. TSX:EQB (EQB)

PARTNER-FEEDS

1. Msn
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