



2 Promising TFSA Growth Stocks That Millennials Should Buy Immediately

Description

Young investors like millennials have time on their side and can stomach a greater degree of risk than their parents or grandparents, who are near (or are already in) retirement.

So, in a TFSA, millennials shouldn't be hesitant to add higher-volatility growth stocks to beef up their long-term returns.

Over the short to medium term, such growth stocks may be more stomach-churning, but in the grander scheme of things, the above-average magnitude of day-to-day ups and downs will eventually be dwarfed by many years' worth of appreciation in the stock price. This is, of course, assuming you select the stocks of wonderful businesses at reasonable prices and not speculative high flyers at absurdly expensive multiples.

Without further ado, here are two attractively valued growth stocks that millennials should buy and hang on to for decades:

Restaurant Brands International Inc. ([TSX:QSR](#))([NYSE:QSR](#))

In Canada, it's hard to find a company that's [more hated](#) than Tim Hortons after the endless stream of negative headlines derived from the spat between management and its franchisees. It's gotten so out of control that now even the U.S. franchisees are publicly expressing their distaste. Every week it seems like there's some new lawsuit set by a new group of disgruntled franchisees.

While it's tempting to dump the stock because brand deterioration is negatively affecting the long-term thesis, doing so would deprive your portfolio of a cash cow that I believe is facing serious problems that are by no means permanent in nature.

Sure, the reputation is tarnished, but over long periods of time, it's been shown that "boycotts" don't really have long-lasting effects on the underlying business. Restaurant Brands has a new president at the helm of Tim Hortons, and with the "Working Together" plan in place, I think the status of the franchisor-franchisee relationship can only improve from here.

In the midst of the Tim Hortons chaos, you, as a younger investor, have the opportunity to pick up a capital-light cash cow that has the ability to line the pockets of its shareholders, while still maintaining above-average growth through its expansion and comps growth initiatives. Menu innovation and the leveraging of technology, I believe, will be the main comps driving the story going forward, not the headlines concerning a group of franchisees who've grown frustrated with the parent company's policies.

Looking beyond expansion and comps-driving initiatives, Restaurant Brands has the ability to raise its growth ceiling and repeat its success story over again through the strategic acquisition of new restaurant brands.

Over the course of many decades, Restaurant Brands will probably grow to encompass a number of the world's most powerful restaurant brands. The potential for capital appreciation and dividend growth is profound if you're able to look past the barrage of issues regarding one of Restaurant Brands's three names.

Spin Master Corp. ([TSX:TOY](#))

This is another growth story that's been hit hard of late thanks in part to developments that are by no means detrimental to the company's long-term prospects.

At the time of writing, Spin Master stock is down ~17% from its 52-week high, and at the trough of the decline shares were down a whopping ~22% from the peak! Although the decline may seem indicative of an insidious development, I believe the event was overblown beyond proportion!

As you may have guessed, the decline was experienced across the entire toy industry following the announcement that Toys "R" Us filed for bankruptcy protection in Canada and the U.S. Since then, Toys "R" Us Canada locations appear to have been [saved by Prem Watsa](#). And the U.S. locations, although still in trouble, have had various money managers express interest in a bidding.

Whether or not the U.S. locations are saved remains irrelevant in Spin Master's long-term thesis. It's an innovative company that appears to be the industry's fastest-rising star. In any case, Spin Master shares should not have been punished as badly as they've been, and at these levels, they appear to be an incredible bargain that I believe will not last for very long.

Stay hungry. Stay Foolish.

CATEGORY

1. Investing

TICKERS GLOBAL

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

PARTNER-FEEDS

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

Category

1. Investing

Date

2025/08/26

Date Created

2018/05/07

Author

joefrenette

default watermark

default watermark