



You're Not Too Late to Get Rich Off This Millionaire-Maker Stock

Description

Everyone wants to find the next millionaire-maker stock. Analysts scour every corner of the market to pinpoint the next big thing.

Often, the best stocks have already identified themselves.

For example, after decades of outperformance, many investors ditched **Berkshire Hathaway**, claiming that its best days were behind it. Over the next decade, shares more than tripled, heavily outperforming the TSX and S&P 500 indexes.

The following stock pick isn't about \$500 billion behemoth Berkshire Hathaway. It's a \$3 billion company that you've likely never heard of, even though it's been minting millionaires since 2006.

Meet **Boyd Group Income Fund** (TSX:BYD.UN).

Boring is profitable

This is one of the more boring stock pitches you'll read in recent memory. Make no mistake, though — this stock has huge multi-bagger potential.

Based in Winnipeg, Boyd has slowly become the largest collision repair operator in North America. If you've ever read a roll-up story, the company's strategy should sound familiar.

Using its strong balance sheet and industry expertise, the company acquires small collision repair centres throughout North America. Typically, these are mom-and-pop shops with few exit opportunities.

Boyd is able to give them a lump sum for their business — an opportunity they likely wouldn't have had otherwise. This ensures a very attractive purchase price for Boyd. The company then makes a few improvements to the property, eliminates back office expenses, and operates it under its lineup of brands.

In as little as three years, Boyd is able to recoup its investment. It's as simple as rinse and repeat as often as possible.

The industry roll-up strategy has been immensely profitable. Over the last decade, shares are up by more than 4,000%. For every \$1,000 invested in 2009, you would have received \$40,000 in profit. A \$25,000 investment would be worth more than \$1 million.

It's happening again

This story is long from finished. While much of the early run has already occurred, there's still plenty of time to profit.

Boyd's strategy is tried and true. Looking at industry data, it's clear that it can continue on the same path for many years to come.

Boyd estimates that its total market size is roughly \$50 billion, with 32,200 shops in service. That means Boyd controls roughly 4% of the industry, making it by far the market leader.

Importantly, around 80% of the industry is still controlled by independent players, mostly small business owners in local communities. Two-thirds of the industry consists of single shops. This is the chunk of the market that Boyd specializes in acquiring.

Not only are independent single shops cheapest to buy, but they often have the most room for revenue growth, considering there may have been limited reinvestment into the business, especially in terms of customer experience and marketing.

If Boyd Group were to triple in size, its market cap would still be under \$10 billion, while its market share would only be around 10%.

In 2015, management aimed to double the size of the company by 2020. Since 2015, the stock has already quadrupled, and the company remains ahead of target.

Management believes there is still plenty of room to expand aggressively over the next decade. Judging from history, it pays heavily to heed their opinion.

Boyd Group has been a classic millionaire-maker stock. Fortunately for you, the story looks set to repeat itself.

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