



Millennial Investors: 2 Top Growth Stocks for You

Description

Millennial investors may be looking for more excitement in their stock holdings. If so, **Canada Goose Holdings** ([TSX:GOOS](#))([NYSE:GOOS](#)) and **Spin Master** ([TSX:TOY](#)) can fire up your portfolio with [plenty of growth](#).

There may be golden eggs left in the Canada Goose

Despite the recent correction of about 25% from the \$65 per share level, GOOS stock has still done incredibly well — up about 128%, or 40% per year since it had its initial public offering (IPO) more than two years ago.

The correction is the result of investors resetting their expectations for Canada Goose. In the last quarter, the company updated with a guidance of slower growth but still mouth-watering average annual growth of more than 20% in revenue and 25% in adjusted earnings per share (EPS) over the next three years.

The stock has held solidly above \$45 per share since the report. So, this could be a good entry point. At about \$49 per share as of writing, GOOS stock trades at a blended price-to-earnings ratio of roughly 34.1. So, it trades at a reasonable PEG ratio of about 1.36.

If the company achieves the EPS growth rate of 25% and it ends up at a P/E of 25-30, an investment today will gain 43-72%, which equates to total returns of 12.7-19.8% per year.



Spin Master is still spinning in control

Spin Master ([TSX:TOY](#)) has come a long way since it was founded in 1994 from one product, The Earth Buddy, to an international children's entertainment company.

Along the way, Spin Master made strategic acquisitions that created tremendous value. This is evident from its high return on invested capital (ROIC), which it has maintained at 21% or greater since 2015. (Public data is only available since 2015, at which time the company had its IPO.)

Spin Master's return on assets (ROA) was also strong; it came in at 11% or higher since 2015. The company's trailing 12-month ROIC and ROA are 21.6% and 13.3%, respectively.

Going forward, through innovation and acquisitions, Spin Master will continue to expand its diversified portfolio of toys, games, brands, and entertainment properties, including animations, mobile apps, and digital toys.

Spin Master drives innovation from six internal research and development centres in different parts of the world. Additionally, from about 200-300 third-party global inventors, it sources 3,000 ideas, of which 30-50 are commercialized every year.

The latest 15% dip from the \$45-per-share level is [a good buying opportunity in TOY stock](#). According to **Thomson Reuters's** mean 12-month price target of US\$37 and a more conservative foreign exchange of US\$1 to CAD\$1.28, the stock has about 25% near-term upside potential from under \$38 per share.

Foolish takeaway

Millennial investors looking for stocks to spice things up should take a serious look at Canada Goose and Spin Master today. Both stocks can climb much higher in the coming months and years.

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