2 Top Growth Stocks Every Millennial Should Own

### Description

While global stock markets continue to perform strongly despite fears of a full-blown trade war between the U.S. and China, rising geopolitical risk and higher oil, the TSX has made only moderate gains since the start of 2019. Both the **S&P/TSX Composite Index** and **S&P/TSX60** have gained 14% over that period.

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That lacklustre performance highlights why investors need to add growth stocks with quality businesses and wide economic moats to their portfolio, if they are to build wealth and achieve their investment goals sooner.

Typically, growth stocks will over the long-term significantly outperform the broader market, making them the ideal investment for younger investors with long-term time horizons. Let's take a closer look at three companies that have substantially beaten the broader **bourse** over the last year and should continue to do so.

## Rapidly expanding operations

**Parkland Fuel** (TSX:PKI), through a series of transformative acquisitions has expanded its operations — and hence its earnings at a rapid clip in recent years. Its stock has gained 17% year to date, thereby outperforming the **S&P/TSX Composite Index** by 3%. Parkland also pays a regular monthly dividend currently yielding almost 3%, further enhancing the return for investors.

The independent fuel distributor reported some spectacular first-quarter 2019 numbers, including record adjusted EBITDA of $315 million, or slightly more than double a year earlier and net income of $91 million, which was more than four times greater.

Parkland is positioned to keep growing at a rapid clip. It is in the process of unlocking further synergies from earlier acquisitions, which it anticipates will generate an additional $180 million annually by the end of 2020. Parkland is also in the process of bedding down the Sol Transaction to release further efficiencies and synergies that will bolster earnings.

This will fund further dividend hikes, with Parkland having increased its dividend for the last six years straight.

## Solid growth

Budget retailer **Dollarama** (TSX:DOL) has experienced a solid period of sales and hence earnings growth despite the retail apocalypse at the hand of e-commerce and online retailing. The retailer has seen its stock climb by 42% for the year to date, triple the gains made by the S&P/Composite Index.

Dollarama operates 1,236 stores in Canada, with an option to acquire Dollar City, a discount retailer operating 82 stores in Colombia, 44 in El Salvador and 54 in Guatemala.

After a disappointing end to 2018, Dollarama delivered some solid first-quarter 2019 results, including 9.5% year over year sales growth, a gross margin of just over 42% and a 4% increase in EBITDA to $227 million. That saw net income expand by 2% year over year to $103.5 million.

Dollarama's earnings will continue to grow with the retailer focused on opening more stores and bringing its Montreal-area distribution centre online. There are indications that the economic outlook is improving, with a truce apparently established between the U.S. and China, preventing a trade war between the world's two largest economies.

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Economic data in Canada has also been more upbeat than expectations, boding well for greater consumer confidence and consumption. The option to buy Dollar City will give the company the opportunity to expand into Latin American and some of the region's fastest-growing economies such as Colombia.

That all bodes well for Dollarama, while its business model has proven resilient to the ongoing onslaught of online retailing, which has led to a fundamental transformation of the retail industry.

**CATEGORY**

1. Investing

**TICKERS GLOBAL**

1. TSX:DOL (Dollarama Inc.)
2. TSX:PKI (Parkland Fuel Corporation)

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