



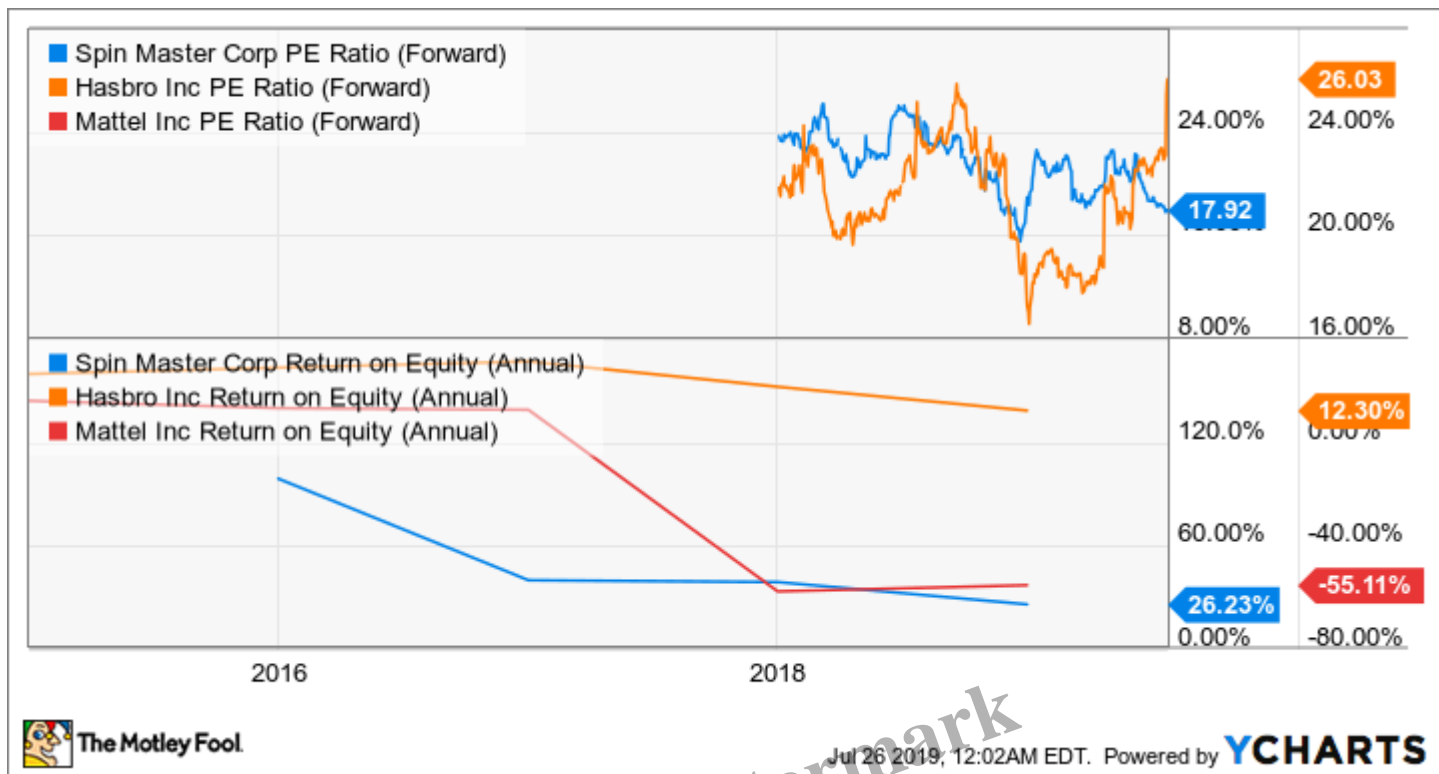
## Millennial Investors: 2 Growth Stocks to Stash in Your Portfolio

### Description

Millennial investors looking for growth should consider buying **Spin Master** ([TSX:TOY](#)) and **Alimentation Couche-Tard** (TSX:ATD.B) and holding them for a long time.

### Spin Master

Spin Master has industry-leading returns on equity but trades at a relatively cheap forward multiple. (Notably, **Mattel** is expected to post a loss again this year. That's why it doesn't show up in the forward price-to-earnings (P/E) graph below.)



TOY PE Ratio (Forward) data by YCharts.

Spin Master is growing its global scale. The children’s entertainment company has 28 global offices and sales in more than 100 markets. Its business is diversified across five segments, including Activities, Games & Puzzles and Plush, and Pre-School and Girls, which generated the largest portions of product sales (about 26% each) in the first quarter.

Like its peers, Spin Master had a challenging year. In the last 12 months, the stock fell about 36%. Last year, the market got too excited about the stock; it pushed it to the \$58-per-share area, which equated a P/E of 28!

Fast forward to today, TOY stock trades at a much more appetizing multiple. With Spin Master’s track record of innovation and strategic acquisitions, it will only be a matter of time before the stock will make a reversal.

At roughly \$36.40 per share as of writing, the stock sits at a long-term support level, and it’s an opportune time to buy shares.

## Couche-Tard

Couche-Tard has [delivered tremendous shareholder value](#) in the long run. Since 2007, the stock has delivered extraordinary total returns of 20% per year, which equates to transforming a \$10,000 investment into \$99,325! In the period, the growth stock’s dividend also increased by 12 times!

The convenience store operator has done a fabulous job consolidating the fragmented industry while spreading the best practices across its stores, enjoying economies of scale, and generating incredible

returns.



It is a top convenience and fuel retailer with more than 16,000 stores in 26 countries, including leading positions in Canada, the United States, and parts of Europe.

To get a sense of Couche-Tard's large scale, *every day*, it serves about nine million customers and sells about 750,000 cups of coffee and about 490,000 hot dogs.

Every time Couche-Tard made an acquisition and its balance sheet became more leveraged, it has always been disciplined to reduce its leverage ratio to below 2.5 before making another acquisition.

In the last week, Couche-Tard announced making a strategic investment in **Fire & Flower**, a cannabis retailer with 23 operated or licensed stores in Alberta, Saskatchewan, and Ontario, wholesale distribution operations in Saskatchewan, and a digital retail platform.

Couche-Tard essentially invested just under \$26 million in unsecured convertible debentures, which allows the company to own 9.9% of the company when converted to stock. It can also choose to increase its ownership interest to 50.1% in the future.

## Foolish takeaway

Spin Master and Couche-Tard have a history of generating fabulous returns for shareholders. Therefore, [millennial investors](#) are encouraged to buy shares and build a position in the growth stocks over time and especially on meaningful dips.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:TOY (Spin Master)

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