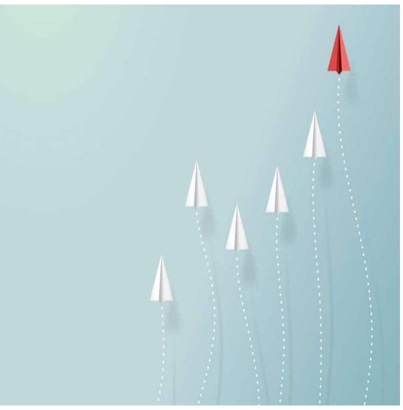

3 Mid-Cap Millionaire-Makers for 2020

Description

Hi, Fools. I'm back to call your attention to three attractive mid-cap stocks – or, as I like to call them, my top "sweet spot" stocks. As a reminder, I do this because mid-cap companies – those with a market cap of between $2 billion and $10 billion – have two key features:

- more upside potential than large "blue-chip" companies; and
- less downside risk than speculative small caps.

In other words, if you want to become a millionaire over the next several decades, mid-cap stocks offer a reasonable way to do it.

Let's get to it.

Rolling right along

Leading off this week is **Canadian Tire** (TSX:CTC.A), which currently sports a market cap of $9.5 billion. Shares of the retail giant are up about 6% in 2019.

The stock has been sluggish over the past couple of years, but Canadian Tire seems to be carrying plenty of operating momentum into 2020. In the company's Q3 results on Thursday, earnings per share (EPS) improved to $3.20 on same-store sales growth of 2.7%.

On that strength, management boosted the dividend 9.6% to $4.55 per share.

"Our business is performing well and as one of Canada's largest eCommerce retailers, having generated more than $500 million in sales in the last 12 months, we are exceptionally well-positioned as we head into our customers' biggest spending season," said CEO Stephen Wetmore.

Canadian Tire currently trades at a forward price-to-earnings (P/E) ratio of 11 and offers a dividend yield of 3%.

Cooked goose?

Next up, we have **Canada Goose Holdings** (TSX:GOOS)(NYSE:GOOS), which has a market cap of about $5.2 billion. Shares of the winter jacket specialist are down 28% over just the past six months.

Concerns over slowing growth, narrowing margins, and declining mall traffic have weighed on the stock in recent months, but Canada Goose might now be too attractive to pass up. Despite missing EPS estimates in Q1, the company still managed to grow revenue 59%.

“Fiscal 2020 is off to a great start with a strong performance in our first quarter, which delivered growth in every geography,” said CEO Dani Reiss. “As we continue to invest in capacity, we are well positioned to capitalize on the strong demand we see across our business.”

With the stock now trading at a forward P/E in the low 20s, betting on that bullishness makes sense.

Attractive assets

Rounding out our list this week is **CI Financial** (TSX:CI), which currently has a market cap of $4.7 billion. Year to date, shares of the asset manager are up about 27%.

The stock has struggled in recent years on mounting redemptions, but 2020 is shaping up to be a good one for shareholders. In CI’s Q3 results on Thursday, EPS of $0.60 topped estimates by $0.14 even as revenue declined 7% to $527.5 million.

More importantly, management used its still-hefty free cash flow to repurchase $150 million in shares and pay out a dividend of $0.18 per share.

“While we experienced redemptions in the third quarter, we have seen a considerable improvement in our net flows on both a quarter-over-quarter and year-over-year basis,” said CEO Kurt MacAlpine.

CI currently offers a dividend yield of 3.8%.

The bottom line

There you have it, Fools: three attractive mid-cap stocks worth checking out.

As always, these aren’t formal recommendations. View them, instead, as a jumping off point for further research. Even the best mid-cap stocks can face serious trouble from time to time, so plenty of due diligence is still required.

Fool on.

CATEGORY

1. Dividend Stocks

TICKERS GLOBAL

1. NYSE:GOOS (Canada Goose)
2. TSX:CIX (CI Financial)
3. TSX:CTC.A (Canadian Tire Corporation, Limited)
4. TSX:GOOS (Canada Goose)

PARTNER-FEEDS

1. Business Insider
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1. Dividend Stocks

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