TFSA Investors: 2 Canadian Blue-Chip Stocks That Can Still Make You Rich!

Description

Blue chips aren't going to make you filthy rich overnight like penny stocks, marijuana stocks, Bitcoin, or any other sort of speculative asset. While they pale in comparison to such spec stocks on the (possible) return front, they more than make up for it on the safety front and can thus provide investors with superior risk-adjusted returns, or returns relative to the risks taken on.

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And over a longer-term time horizon, there is a particular class of mega-cap stocks out there that can still make you rich. Not the stalwart behemoths like **BCE**, but certain mega-cap growth kings that continue to grow in spite of their size and successfully avoid diseconomies of scale, a growth-stunting phenomenon that plagues many massive blue chips.

This piece will have a look at two of my favourite blue-chip TSX stocks that can continue growing their top- and bottom-line by double digits. Each firm has a high growth ceiling, and a means to sustain growth over the next decade.

Alimentation Couche-Tard

Alimentation Couche-Tard (TSX:ATD.B) is a company that's not going to let its size shoot down its growth ambitions. With a market cap shy of $50 billion, you'd think that the best days of the convenience store giant were in the past and that it's on the road to becoming a stalwart behemoth, but that's far from the truth.

Management is striving to double its net income within five years, which is very ambitious and even far-fetched for a company as massive as Couche-Tard. What gives management the confidence that it can double its profitability in five years? It's found the magic formula, and it continues to unlock sizeable gains for shareholders.

The mergers & acquisistions (M&A) specialist has a management team that knows the value of driving same-store sale (SSS) comps while keeping an eye on potential bargains in the global convenience store space. The company is a rapid earnings grower. Despite the massive pool of potential takeover targets, management is only willing to pull the trigger on a deal if there are ample synergies to be had, and the price of admission is absurdly low.

M&A can be risky with substantial integration risks. Given the expertise of Couche-Tard's management and the fact that they tend to acquire with a margin of safety, such risks are substantially diminished. And that's a huge reason why the stock tends to surge on acquisition announcements.

With Couche-Tard's crosshairs set on the global c-store scene, which remains highly fragmented, there appear to be decades' worth of M&A opportunities, and that bodes well for growth investors with a long-term mindset.

Restaurant Brands International

Up next, we have **Restaurant Brands International** (TSX:QSR)(NYSE:QSR), the fast-food kingpin behind Tim Hortons, Burger King, and Popeye's Louisiana Kitchen. The company has grown its earnings (net income surged nearly 18% annualized over the last three years) and dividend at a staggering double-digit rate.

The company has the means to increase its growth ceiling at its discretion through the acquisition of a new brand. With a considerable amount of selling activity conducted by management over the past few years, some have speculated that the company may be getting ready for another significant acquisition, possibly a pizza play, which would be a perfect complement to fried chicken, burgers, and donuts.

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Even if Restaurant Brands pulled back on acquisitions over the next five years, the company still has a world of expansion opportunities with Tim Hortons and Popeye's, both of which haven't seen their global potential unlocked as of yet.

Warren Buffett once suggested that investors buy stocks of businesses that even an idiot could run. No disrespect intended, but even with the poor execution of the Tim Hortons brand, the company has continued to do well thanks to Burger King. With three wonderful brands in the portfolio, Restaurant Brands has the means to sustain massive growth in a capital-light fashion and should all three brands go into high gear; the stock could surge like a bat out of heck!

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