



1 Growth Stock Is All You Need to Retire Rich

Description

The wealth-creating potential behind buy-and-hold investing is still quite unfathomable to most investors. Young investors who have an investment horizon that spans multiple decades can realistically double their money numerous times over with a strategy as simple as buying wonderful businesses and holding them for extended periods.

It's a slow and steady process, but a profoundly powerful one nonetheless!

Consider a mid-cap growth stock like [Spin Master \(TSX:TOY\)](#), a global toy and children's entertainment company that's still in the early innings of its growth story and could be capable of tremendous gains over the coming decades.

The Toronto-based toy maker has a mere \$4 billion market cap and has been leveraging innovative technologies to get an edge in the fiercely competitive toy industry that's been recently taken a hit to the chin courtesy of last year's Toys "R" Us bankruptcy.

With the legendary retailer making a return from the dead, toy makers like Spin Master could see a headwind transform into a tailwind over the next few years, yet Spin Master stock remains down in the ditches.

Why is Spin Master one of my favourite extremely long-term holdings?

Not only does the firm have exceptional managers, with founders Ronnen Harary and Anton Rabie running the show (both of whom still own a tonne of shares), but the company has demonstrated that it's more than capable of taking share from its bigger brothers in the toy industry.

How?

Spin has an incredible roster of intellectual property (IP) that provides more of an edge of licensing arrangements, but the most significant advantage is the company's knack for developing new toys that leverage awe-inspiring new tech.

Gund teddy bears will always provide consistent cash flows over time, but it's the hot new toys that possess the wow factor that will be the major movers of toy stocks like Spin. Just look at Hatchimals and its impact on the stock a few years back. Was it an anomaly? Possibly, but is it replicable? I definitely wouldn't rule it out.

With a compelling line-up of products, including Owleez, an interactive flying baby owl that could drive substantial sales growth during the 2019 holiday season, it's clear that Spin still has innovation in its veins. Just last week, Spin scored seven Toy of the Year nominations, bringing its all-time total to 110.

As the company enters [a period of seasonal strength](#), it may be wise to load up on shares today while they trade at just 1.9 times sales.

With enough dry powder to take advantage of more acquisition opportunities as they come to be, I see Spin as a sustained double-digit grower for many years, if not decades, to come.

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