



Millennials: This Cheap Growth Stock Is Ideal if You're Aiming for a Million

Description

Millennials have one of the biggest advantages over their boomer parents when it comes to investing: time. With a longer time horizon comes a greater ability to take on risk. And ironically, for millennials, the greatest risk may be the unwillingness to take on said investment risks.

By risk, I mean smart, calculated risks with a [favourable risk/reward](#) trade-off, not speculation on questionable assets such as Bitcoin, tulips, or whatever is deemed as “sexy” at any given instance.

By playing it too safe being underweight in equities, millennials run the risk of surrendering many years' worth of wealth creation, making the million-dollar milestone that much harder to reach by retirement.

For millennials aiming for a million, [mid-cap growth stocks](#) are a great way to go. They not only offer a better chance to bag a multi-bagger, but they're also more inclined to be mispriced by Mr. Market due to a lower degree of market efficiency relative to the bluest of blue chips that you hear about ad nauseam in the mainstream financial media.

Consider an under-the-radar growth gem like **Spin Master** ([TSX:TOY](#)), a toy company that's been dealt a tough hand over the past year.

The Toys “R” Us bankruptcy and a sluggish economy seemingly caused the mid-cap growth darling to fall off the earnings growth track.

With U.S. toy sales expected to decline by 2% for the year according to toy industry expert and BMO analyst Gerrick Johnson, it appears as though toy stocks like Spin are dead money with seemingly no catalysts.

Toy inventory is building up, and the industry is undoubtedly still feeling the impact of the retail void left by Toys “R” Us, which has since returned from the dead with a revamped in-store layout.

The woes of the toy industry, I believe, are already baked into the stock of Spin, which is down over 30% from all-time highs.

While it's not a mystery that U.S. tariffs on goods imported from China stands to hurt the top and bottom lines of the toy makers, I do think Spin has set a really low bar heading into the holiday season, a period of seasonal strength.

Moreover, Spin has a solid balance sheet with enough capital to pull the trigger on accretive acquisitions should the right opportunity present itself.

At a time of tremendous industry weakness, I'd say Spin is in a favourable position, as potential acquisitions may come at a lower price tag given the shared struggles of the entire toy scene.

In the grander scheme of things, Spin is still in the early innings of its growth story. So, at around two times sales, I'd say the stock is a high-growth bargain that's hiding in plain sight.

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