Alert: These 2 Millionaire-Maker Stocks Would Look Great in Any Portfolio

Description

What exactly is a "millionaire-maker" stock, anyway?

The big thing is, it must be a stock that has the potential to grow significantly. While it's nice to find a stock with the kind of organic growth potential to really matter, usually, you'll find that companies consolidating a fragmented industry will come with a more reasonable valuation.

Next, I like to look for an organization with a history of creating shareholder value. You want to invest in a company that has a fantastic long-term stock chart. Consistent dividend growth is also an attractive feature to look for.

Finally, for a stock to make a huge difference in your portfolio, it must be held for a long time. We're talking decades here. So, pick stocks you can be excited about owning for a while in industries you like.

Here are two millionaire-maker stocks you should be buying today.

Saputo

Saputo (TSX:SAP) has quietly been one of the best growth stocks on the TSX over the last couple decades. The maker of milk, cheese, yogurt, and other dairy products has emerged as one of Canada's largest companies and is one of the world's top 10 dairy processors.

It has made a plethora of acquisitions over the years and now owns significant assets here in Canada, a large U.S. business, as well as sizable operations in Europe, Argentina, and Australia. The company's most recent acquisition was in the United Kingdom.

Thanks to the impact of the U.K. acquisitions, Saputo is now projected to generate some $15 billion in revenue in its fiscal 2020, with net earnings coming in at $1.77 per share. Investors should note that analysts project earnings will grow to $1.97 per share in fiscal 2021, as the latest prize really starts adding to the bottom line.

The company’s long-term growth has been nothing short of extraordinary. Shares debuted on the TSX back in 1997 at a split-adjusted level of $2.10 each. The current share price is in the $40 range. Including reinvested dividends, that works out to a 14.89% annual return. That’s enough to turn a $10,000 initial investment into something worth more than $215,000.

The future looks good, too. There are still dozens of potential acquisition opportunities around the world, and the company’s management has proven they know how to make these deals work. The controlling family is still a big shareholder as well, owning approximately a third of the company. You’ve got to like that confidence.

Richelieu Hardware

Richelieu Hardware (TSX:RCH) is an importer, distributor, and manufacturer of specialty hardware and other complementary products. Customers include various types of contractors, specialty manufacturers, and even big-box retail stores.

Like Saputo, Richelieu is a relentless acquirer. Instead of making one big acquisition every couple of years, Richelieu takes a different approach. It’s constantly adding smaller companies, using cash on hand to fund these acquisitions. So far in 2019, the company has made four acquisitions, which deliver annual sales of approximately $23 million. That doesn’t seem like a lot for a company with a market cap of $1.5 billion, but they do add up over time. Additionally, Richelieu does make larger acquisitions every now and again.

Investors should note that the company has a mere $7 million in debt — an amount that is offset completely by cash on hand. It’s remarkable to see such an aggressive acquirer with virtually zero debt. You don’t have to worry about some nervous banker calling in loans during the next recession.

If you thought Saputo’s long-term results were impressive, then you’re in for a treat. Richelieu has performed even better since its 1996 IPO, giving patient investors a gain of 4,838% if they’d reinvested their dividends. That translates into a 17.96% annual return, which is enough to turn a $10,000 initial investment into something worth nearly $500,000 today.

The bottom line

Both Saputo and Richelieu have a few important qualities in common. They have a history of delivering excellent returns, yet both still have ample growth potential. They’re both run by excellent management teams. And each company posts consistent dividend growth.

Don’t delay; add both of these companies to your portfolio today, before they inevitably rocket higher.

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1. Editor's Choice

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1. TSX:RCH (Richelieu Hardware Ltd.)
2. TSX:SAP (Saputo Inc.)

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