



This Red-Hot Growth Stock Could Double in 2020

Description

One of the most successful Canadian growth stocks of the last decade is perfectly positioned to *double* in value in 2020. Since 2006, this stock has increased in value by 15,357%!

All of the factors driving this historical performance are still in place, setting the stage for another [dramatic upturn](#).

If want your money to grow as fast as possible, get acquainted with **Boyd Group Income Fund** (TSX:BYD.UN). You likely have never heard of this company, but it's been a ticket to richest for more than a decade.

Discover the secret sauce

Sometimes, it takes time to discover the recipe for riches. Other times it comes quickly. In the case of Boyd Group, it came *very* quickly.

Founded in 2002 by Terry Smith of Winnipeg, Boyd has already grown into the largest collision repair company in North America. How did it achieve such a feat?

When analyzing the collision centre industry two decades ago, Smith realized that it had two key characteristics.

First, it was incredibly fragmented. No competitors controlled more than a few percent of the industry, which meant thousands of repair centres were locally owned. Most of the time, these small operators only owned a single location.

Second, the people that owned these centres were aging, with limited exit opportunities. After all, there aren't many buyers for a single repair center in rural New Brunswick. These owners would likely sell at an attractive price, if only there was an interested buyer.

Smith combined these two characteristics into a winning formula to roll up the entire industry. The

recipe was simple: buy independent shops at attractive prices, pump some initial cash into the businesses for renovations, strip out all redundant back-office expenses, and link them into its burgeoning continental network of shops. Many locations turned free cash-flow positive in under 12 months.

Rinse and repeat

Rolling up the collision repair industry is a pretty niche strategy. For 18 years, Boyd has faced very limited competition. Today, it has more resources than any of its peers, which means its financing costs are cheaper. Plus, the network effect of owning hundreds of locations gives it a sizable market advantage.

For the past several years, the strategy has simply been to repeat its winning approach time and time again. In 2012, shares were up 60%. In 2013, shares doubled.

In 2014, the stock popped 50%. In 2015, the stock rose another 40%. You get the point.

Over the past decade, Boyd Group stock has never had a losing year. Over the past 12 months, they're up nearly 100% yet again.

In 2020, expect more of the same. Although the company has a leading market share position, it still only controls a small fraction of the industry. The stock won't stop running for several years.

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