This Growth Stock Turned $10,000 Into $423,000 in 10 Years!

Description

BNN Bloomberg recently compiled a list of the 10 best-performing **TSX** stocks of the last decade. To the shock and awe of many, an overwhelming majority of the names were the stocks of boring businesses within old-fashioned industries, with only two stocks within the high-flying tech industry.

Indeed, boring is beautiful when it comes to the TSX, and if you adopted Warren Buffett's strategy by investing in old-fashioned, easy-to-understand businesses with a highly-predictable earnings trajectory, your odds of bagging one of the significant multi-baggers during the 2010s would have increased substantially.

I've been pounding the table on 7 out of 10 of the names that made the list for consistently over the last four years, and if you placed a small bet on any one of the names, you'd be pleased with your results today.

Concentrating on where the puck has already been is not going to do you any good in the 2020s, though, it's where the puck is likely headed next.

There's no question that many of the stocks of the "TSX Top 10 of the 2010s" list are at risk of running out of steam (or perhaps suffering a reversal of fortune in the new decade). However, there is one name that stands out to me as a winner that has what it takes to keep on winning in the 2020s.

Enter **Boyd Group Income Fund** (TSX:BYD), the second best-performing TSX stock of the 2010s. The stock posted an incredible 4,230% in total returns (capital gains and distributions) for the decade despite operating in an industry as boring as auto body repairs.

Accidents happen, and Boyd cashed in on the trend in the 2010s.

Despite minting some Canadian millionaires over the last decade, I still don't see the stock as being expensive, given the highly replicable strategy to grow earnings through M&A activities in a niche industry that remains highly fragmented.

Warren Buffett encourages investors to invest in firms with business models that are so simple that a child could understand it. In the case of Boyd, you're getting just that.

At the time of writing, the stock trades at a modest 18.5 times EV/EBITDA, which is pretty standard (maybe even cheap) for a proven double-digit revenue grower with an absurdly high runway that's still clear for take-off.

Back in 2017 (or about 150% in gains ago), I noted that Boyd was a hidden gem that could help Canadian investors beat the market. In retrospect, Boyd's potential to beat the market turned out to be a vast understatement!

More recently, I urged investors to buy the dip in the stock due to short-lived headwinds (the impact of Hurricane Dorian and the ratified **General Motors** strike) that would soon fade.

Although the stock has since made its return back at all-time highs, I'd still get skin in the game today, as the company looks to consolidate its industry further, enriching its shareholders in the process.

There's still a tonne of growth to be had, and considering the mid-cap name is still under the radar of most others, the stock may still not be appropriately priced given the firm's low-tech growth profile.

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Date
2025/07/06
Date Created
2020/01/03
Author
joefrenette