



## 2 TSX Stocks Set to Deliver High Growth

### Description

The equity market has been extremely volatile in the past few months, making investing tough. Meanwhile, fear of an economic slowdown acts as a restraint. While challenges persist, several fundamentally strong companies have crossed the inflection point and are ready to deliver high growth in the long run.

Here are the two TSX stocks that are in a sweet spot and have the potential to rocket higher.

### AltaGas

Investing in **AltaGas** ([TSX:ALA](#)) stock provides a unique mix of stability and growth. The company runs a rate-regulated utility business that remains immune to the economic cycles. Besides, it also owns a high-growth midstream business.

The company's utility business accounts for about 75% of its revenues, providing the much-needed stability amid uncertainty. The decoupled rate structures and fixed distribution charges protect AltaGas's utility segment's revenues. Besides, the company projects its utility rate base to grow by 8-10% annually in the coming years, which is encouraging.

While the utility business generates predictable cash flows and provides protection from the economic downturn, its midstream division offers tremendous growth opportunities. For instance, the midstream division's revenues soared 52% year over year in the [most recent quarter](#). The addition of Ridley Island Propane Export Terminal (RIPET) creates significant long-term opportunities and is likely to accelerate growth by boosting export volumes.

Investors should note that about one-third of RIPET's volumes are protected through long-term take-or-pay contracts. Meanwhile, utilization rate remains high.

The recent pullback in AltaGas stock makes it attractive on the valuation front. AltaGas stock trades at a forward price-to-earnings ratio of 11.8, which is well below the industry average of 16.7. Besides, AltaGas stock is trading at a forward price-to-cash flow ratio of 4.7, which is even lower than the industry average of 7.4.

The double-digit decline in its stock, strong base for future growth, attractive valuation, and lucrative dividend yield of 6.4% make AltaGas stock a solid long-term investment option.

## Maple Leaf Foods

**Maple Leaf Foods** ([TSX:MFI](#)) is another stock that [could deliver high growth](#), thanks to its investments in the fast-growing segments like plant-based protein. While the company's plant protein business is likely to boost growth, its profitable meat protein business adds stability.

The rising demand for plant-based protein has opened up substantial growth opportunities for Maple Leaf Foods and is a long-term tailwind. The company has emerged as a formidable competitor in the plant protein business and should benefit from the surge in demand. Maple Leaf Foods expects its plant protein division to reach \$3 billion in sales by 2029.

Investors should note that the company's plant protein business is growing at a rapid rate. In the most recent quarter, Maple Leaf Foods marked 26% growth in its plant protein segment. Moreover, the pace of growth should further accelerate on the back of product innovation, market share gains, and expansion of the distribution channel.

While its top line is expected to grow at a brisk pace, Maple Leaf Food's margins could gain from operating efficiencies and increased sales in the high-margin regions. Strong sales, margin expansion, and consistent dividend growth should push its stock higher in the long run.

### CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Investing

### TICKERS GLOBAL

1. TSX:ALA (AltaGas Ltd.)
2. TSX:MFI (Maple Leaf Foods Inc.)

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snahata

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