3 Forever Stocks That Will Make You Rich

Description

Earlier this month, I'd discussed why investors should look to get in on the burgeoning artificial intelligence space. Canadians should look to target stocks that are thriving in growing sectors. Today, I want to look at three forever stocks that still offer great value and a chance at exposure in promising spaces. Let's dive in.

Why Savaria is the perfect forever stock

Savaria (TSX:SIS) designs, engineers, and manufactures products for personal mobility in Canada and around the world. This is another company that is poised to benefit from shifting demographics. In Canada alone, seniors are expected to make up roughly a quarter of the total population by 2030.

A recent Grand View Research report projected that the global personal mobility market would register a CAGR of 6.5% from 2019 through 2027. It mentioned a Centres for Disease and Control (CDC) report that estimated 36.4 million adult arthritis patients will report activity limitations by 2040. This is one of the main reasons Savaria qualifies as a forever stock.

Shares of Savaria have climbed 56% over the past three months as of close on June 18. In Q1 2020, the company saw gross profit increase 11.4% year over year to $30.1 million. Adjusted EBITDA rose 17.3% to $12.4 million. Savaria stock last possessed a price-to-earnings (P/E) ratio of 23 and a price-to-book (P/B) value of 2.3. This puts it in solid value territory relative to industry peers. Better yet, Savaria also offers a monthly dividend of $0.0383 per share, which represents a 3.5% yield.

Don't sleep on defence stocks this decade

Global military spending rose to another record in 2019, according to the Stockholm Peace Research Institute. In early April, I'd discussed why aerospace and defence stocks looked undervalued in this environment. **CAE** (TSX:CAE)(NYSE:CAE) is a Quebec-based company that provides training solutions for the civil aviation, defence and security, and healthcare markets.

Shares of CAE have increased 46% over the past three months. CAE is facing challenges due to headwinds in the aerospace sector right now, but it is still on a solid growth trajectory in the long term. In fiscal 2020, the company saw annual revenue increase 4% to $3.6 billion. It finished the year with a $9.5 billion order backlog.

CAE stock last had a favourable P/E ratio of 19 and a P/B value of 2.6. Aerospace will inevitably bounce back, while defence remains one of the more explosive and reliable global sectors. This is why CAE counts as a forever stock today.

This company is a top player in a growing industry

Park Lawn (TSX:PLC) provides funeral, cremation, and cemetery services in North America. Shares of Park Lawn are down 21% in 2020 so far. However, the stock has climbed 22% over the past three months. It is the fastest-growing company in the death care space, which will experience heightened demand due to aging demographics going forward.

The company released its first-quarter 2020 results on May 12. Overall, it was a solid quarter for Park Lawn. Revenues climbed to $73.9 million over $50.1 million in Q1 2019, and adjusted net earnings increased to $7.5 million over $5.3 million. Park Lawn also boasts a fantastic balance sheet, which has allowed it to make aggressive acquisitions in this space. These are some of the reasons Park Lawn is a forever stock for me in 2020.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:CAE (CAE Inc.)
2. TSX:CAE (CAE Inc.)
3. TSX:PLC (Park Lawn Corporation)
4. TSX:SIS (Savaria Corporation)

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Date
2025/07/21
Date Created

2020/06/19
Author
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