



## Top Canadian Growth Stocks: How to Turn \$5,000 Into \$50,000

### Description

If you want to build a fortune by investing in Canadian stocks, you have to be patient and prudent. Don't jump on the latest craze or the most exciting meme stock. Rather, take your time, get to know the businesses you invest in, build an investment thesis, buy the stock, and then hold it for a really long time. As Warren Buffett has said, "Buy a stock the way you would buy a house. Understand and like it such that you'd be content to own it in the absence of any market."

### Buy a Canadian stock like you'd buy a business — for the long run

Yes, you can make some quick gains betting on Dogecoin or a non-fungible token (NFT). However, you can also lose all your money in an instant. When you [invest in high-quality businesses](#), your chance of accumulating wealth increases and your risk of losing money decreases over time. If you are looking for some great businesses to invest in, here are two top Canadian stocks that turned \$5,000 into \$50,000 in 10 years or less.

### Descartes Systems: A top Canadian tech stock for the long term

**Descartes Systems** ([TSX:DSG](#))([NASDAQ:DSGX](#)) is one of Canada's great technology success stories. Had you bought \$5,000 worth of this Canadian stock 10 years ago (and held it), it would be worth over \$53,000 today! That is an annual average return of 26.6%! Yet I don't think this growth story is over.

Descartes supplies cloud-based logistics and supply chain management software for clients across the world. Its stock is down about 12% from only a month ago, but for very little reason.

Yet just a few days ago, [it reported great first-quarter earnings](#). Revenues grew year over year by 18% to \$83.7 million. Earnings per share and adjusted EBITDA increased year over year by 62% and 26%, respectively.

This is a great Canadian stock to own, because its services are really essential to the global supply chain. Consequently, around 90% of its revenues are recurring. This business is very profitable, has a smart management team, and has a great outlook in the pandemic recovery. It's a cash-yielding machine with both organic and acquisition growth in its site lines. As a result, I still think this stock has lots of upside ahead for investors.

## Cargojet: Canada's leading overnight freight carrier

A Canadian logistics stock that turned \$5,000 into even more than \$50,000 is **Cargojet** ([TSX:CJT](#)). In fact, over the past nine years, it turned \$5,000 into \$107,000! Like Descartes, Cargojet has been declining this year. In fact, it is down almost 20% year to date. Yet this is a really attractive business for the long term.

It operates Canada's largest overnight air cargo delivery network. It represents over 90% of Canada's domestic overnight air cargo service. It has some top contracts with Canada Post and the world's largest e-commerce player, **Amazon.com**. This business has a great competitive moat. In 2020, this was solidified even more. Cargojet was able to take over cargo volumes for Canada's grounded passenger carriers. As a result, this Canadian stock saw one of its best years ever.

Certainly, as the economy recovers, management expects cargo volumes to normalize to some extent. Yet, e-commerce is a trend that can't be ignored. Every year, it takes more and more market share from brick-and-mortar retailers.

Given that Cargojet's service is key for same-day or next-day shipping, I believe it should still see ample organic growth. Likewise, Cargojet has its eyes on international markets. It could still be in the early innings of another phase of growth abroad. That's why I think the pullback in this Canadian stock is great opportunity to fuel up and head back to the skies!

### CATEGORY

1. Investing
2. Stocks for Beginners
3. Tech Stocks

### POST TAG

1. Editor's Choice

### TICKERS GLOBAL

1. NASDAQ:DSGX (Descartes Systems Group)
2. TSX:CJT (Cargojet Inc.)
3. TSX:DSG (The Descartes Systems Group Inc)

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