



Canadians: Bet on the Future and Buy These 2 Super Stocks

Description

The children are the future, or so they say. In the investing world, you need to do some digging to find stocks that are focused specifically on children's entertainment centres. Moreover, the digital transformation we have seen over the past decade has had a major impact on the consumption habits of this demographic. Today, I want to look at two super stocks on the TSX that are reliant on performing well among children. Are these stocks the future? Let's find out.

Why this super stock is set to rebound in the summer of 2021

Spin Master ([TSX:TOY](#)) is a Toronto-based company that creates, designs, manufactures, licenses, and markets various toys, entertainment franchises, and digital games around the world. Shares of this super stock have climbed 40% in 2021 as of early afternoon trading on June 9. The stock is up 84% from the prior year.

Last summer, I'd [suggested](#) that Canadians should look to add Spin Master, as it looked like a value add. The company released its first-quarter 2021 results on May 5. Total revenue increased 39% from the prior year to \$316 million. Meanwhile, gross product sales jumped 21% to \$294 million. Entertainment and licensing revenue soared 79% to \$26.9 million. Adjusted EBITDA rose to \$36.7 million compared to a loss of \$32.3 million in the first quarter of 2020.

The company hopes that the August release of the *Paw Patrol* movie will provide new life to the stagnant franchise. Moreover, it hopes the movie will bolster merchandise sales. The company looks poised to continue its rebound as the global economy reopens. This super stock is still worth snatching up today.

Bet on this streaming super stock that is thriving in the children's demographic

WildBrain ([TSX:WILD](#)) is a Halifax-based company that develops, produces, and distributes film and

television programs around the world. Its entertainment is focused on the children's demographic. It owns joint rights to the *Peanuts* franchise as well as stables like Nerd Corps and Ragdoll Worldwide. Last month, I'd [discussed](#) why WildBrain was a super stock I was bullish on for the future.

Shares of WildBrain have surged 50% in the year-to-date period at the time of this writing. The stock is up 135% year over year. It reported its third-quarter fiscal 2021 results on May 11.

In Q3 FY2021, the company achieved revenue growth of 4% to \$102 million. Meanwhile, consumer products revenue increased 12% to \$45.7 million. Its streaming brand, WildBrain Spark, saw revenue increase marginally from the prior year to \$9.6 million. Advertising revenue expanded as engagement continued to be strong.

Canada does not boast streaming giants like **Netflix** and **Disney Plus**, but investors should not scoff at smaller players like WildBrain. The company has made impressive strides since focusing more on pushing its streaming division. This is a super stock that has nice potential, as children are becoming more acquainted with the digital space. That could grow into a long-term trend, as the COVID-19 pandemic may have permanently change work-life and school-life balance in developed nations.

CATEGORY

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2. TSX:WILD (WildBrain Ltd.)

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