



## 2 Overlooked TSX Stocks Offering Safety, Income, and Growth

### Description

Whether it be uncertainty around the COVID-19 Delta variant, the Chinese debt situation, rising bond yields, inflation, or the supply chain, there's much to worry about when owning **TSX** stocks.

Yet, nothing is really new. The stock market always finds something to worry about. While investors largely comprehend these risks, often it is the unknowns that are, in fact, both the largest risks and/or the largest opportunities.

### The longer you stay invested, the better your chances of a strong overall return

One way to mitigate uncertainty is to [invest](#) in stocks with fortress-like balance sheets, stable growth trajectories, and conservative business models. Then plan to hold these high-quality businesses like an *investor* – through bull and bear markets and for long periods of time. The longer you spend in the market, your [chances of a positive return](#) improve increasingly. On the inverse, the risk of a capital loss drastically declines over long periods of time.

With this in mind, here are two overlooked TSX stocks that investors may want to consider owning for the long run. Each one offers safety, income, and growth.

### Calian Group stock

**Calian Group** ([TSX:CGY](#)) only has a market capitalization of \$692 million today. Yet, this company is set to hit \$500 million in revenue in 2021. Likewise, this year it expects to grow revenues, adjusted EBITDA and adjusted net profit by at least 16%, 32%, and 50%, respectively. It only trades at 1.3 times sales with an EBITDA ratio of 15 times. Compared to other technology-focused peers, Calian is a steal.

I like this name because nobody talks about it. Yet, over the years, Calian has both acquired and developed a diverse set of vertical pillars in education, healthcare, IT/cybersecurity, and advanced

technologies. So far, each of these business segments is firing on all cylinders. This year, each segment is seeing strong double-digit organic growth.

Today, this stock has \$40 million in net cash on the balance sheet with the capacity to invest in growth (whether it be organically or into more acquisitions). It also pays a well-covered 1.8% dividend, so investors capture a nice mix of safety, growth, and income.

## Brookfield Infrastructure Partners stock

You don't get much more defensive than [owning infrastructure](#). For society to function, it needs power transmission lines, ports, railroads, data centres, cell towers, and natural gas processing plants. That is why I like **Brookfield Infrastructure Partners** ([TSX:BIP.UN](#))([NYSE:BIP](#)) for the long term.

It owns and operates all of the assets listed above (and more). It is both diverse by asset and geography. Consequently, its portfolio has a nice natural diversification hedge against market cycles. The great part is that its infrastructure assets are almost entirely contracted or regulated. Consequently, it has a baseline of cash flows that are recurring and predictable.

Not only that, but when economic factors heat up, this stock gets to benefit from inflation-linked contracts, higher volumes, and better commodity pricing. Today, the company has a solid balance sheet with \$6.5 billion of liquidity. Not only does this provide downside protection, but it can also be used to spend on organic capital projects and to acquire value-priced assets (just like Inter Pipeline).

Over the past five years, BIP has grown revenues and adjusted funds from operation by a steady compound annual growth rate (CAGR) of 11.9% and 12%, respectively. It has also raised its dividend per share by a CAGR of 7.7%.

Today, this stock yields 3.6%. Combine its dividend with organic and acquisition growth opportunities, and this stock should continue to deliver solid double-digit returns going forward. For safety, growth, and income, BIP is a top stock pick today.

### CATEGORY

1. Investing
2. Stocks for Beginners

### TICKERS GLOBAL

1. NYSE:BIP (Brookfield Infrastructure Partners L.P.)
2. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)
3. TSX:CGY (Calian Group Ltd.)

### PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media

6. Sharewise
7. Smart News
8. Yahoo CA

#### **PP NOTIFY USER**

1. arosenberg
2. robbybrown

#### **Category**

1. Investing
2. Stocks for Beginners

#### **Date**

2025/08/15

#### **Date Created**

2021/10/01

#### **Author**

robbybrown

default watermark

default watermark