



It's Time to Buy the Dip on Spin Master Stock

Description

Among the growth stocks investors have flocked to in recent months, **Spin Master** ([TSX:TOY](#)) has been a real winner. Indeed, Spin Master stock has more than tripled from the onset of the pandemic. Growth investors who'd bought the dip on this top Canadian growth stock have been rewarded.

There's reason to believe this stock has much more room to run.

Let's take a look at why Spin Master stock is one investors may want to keep on their radars right now.

Analysts bullish on Spin Master Stock

Over the past month, shares of Spin Master stock have traded roughly sideways. Stifel Analyst Martin Landry opines that Spin Master's performance is likely a result of near-term expectations. Investors may be concerned with potential supply chain disruptions. After all, as a consumer discretionary play, Spin Master could see some headwinds in this regard.

However, Mr. Landry is one of the analysts bullish on this growth stock. His view is that these concerns may be over-hyped, given Spin Master's strong track record over time. Given the company's forward EV/EBITDA multiple of nine times, there's also room for upside from here. Compared to major peers in this space, Spin Master is trading at a relative discount of approximately 18%. Accordingly, there's a value thesis to be had with this growth stock.

Spin Master is expected to record its highest ever EBITDA this year at \$345 million. At this rate, which is 14% higher year over year, Spin Master's valuation could look even cheaper should the company beat estimates.

Indeed, given Spin Master's previous excellent performance, such a bullish outlook appears to be warranted. This is a stock that analysts are rightly getting bullish on right now. Currently, Spin Master's [average rating](#) is a buy, with a price target implying upside of more than 30% from these levels.

Bottom line

As the global economy recovers from the pandemic, Spin Master stock is one that could see a big boost in the quarters to come. Indeed, this stock has done very well this year thus far. However, the stagnation we've seen with Spin Master stock in recent months could suggest a leveling-off period, providing investors with an entry point worth considering.

Right now, I remain bullish on Spin Master's long-term growth prospects. Accordingly, I'm viewing this current period of time as a potential accumulation period.

Whether this stock continues to new all-time highs in the near term remains to be seen. However, over the long term, this looks like a stock that's well positioned for tremendous growth.

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