



2 Canadian Sleeper Stocks That Could Make You Rich

Description

Canadian investors who stayed the course despite the market selloff in March 2020 are reaping the rewards. The **TSX** is on a record run to start the last quarter of 2021 and has so far finished higher for 13 straight sessions. Many of these investors who exercised patience may have realized their highest returns in the stock market during the bull run.

As of October 22, 2021, TSX's gain is 21.7% (21,216.20 points), with only the healthcare sector in negative territory. You can go on a finishing expedition as a host of stocks from various sectors are turning the corner or due for a breakout. Two [sleeper stocks](#) could even make you rich.

The future of play

Spin Master([TSX:TOY](#)), the toymaker behind the Paw Patrol franchise, announced the creation of Spin Masters Ventures. It's a \$100 million investment in startups or entrepreneurs in the children's entertainment space. The fund will consist of strategic minority investments in toys, entertainment, and digital games.

The \$4.29 billion company said early-stage companies and emerging businesses with proven products could receive cash and growth capital, respectively. Ronnen Harary, Spin Master's co-founder and board chairman, says Spin Master Ventures aims to become the partner of choice for entrepreneurs.

Harary adds it will complement Spin Master's acquisition strategy and bolster its product development pipeline at the same time. The initial minority investments went to Stockholm-based Nordlight, a mobile game development company, and Hoot Reading, an online tutoring service.

Spin Master incurred considerable losses in 2020 due to the fallout from the pandemic. However, the business has rebounded this year. In the first half of 2021, total revenue increased 39.1% versus the same period in 2020. Notably, the company posted a net income of US\$36.7 million compared to the US\$41.6 million net loss. Cash from operating activities grew 86.3% to US\$103.2 million.

Regarding stock performance, the current share price of \$42 is 40.7% higher than a year ago.

Meanwhile, current investors are up 44.78% year to date. Spin Master's investment in the future of play will certainly drive growth in the medium and long terms.

Potential moneymaker

AcuityAds Holdings (TSX:AT)(NASDAQ:ATY) is a potential [moneymaker](#). At \$7.92 per share, the trailing one-year price return is 70.32%. Despite the 44.58% year-to-date loss, market analysts are bullish and recommend a strong buy rating. They forecast a 154.9% climb to \$20.19 in the next 12 months.

The \$478.75 million technology company provides a one-stop solution for omnichannel digital advertising. With digital advertising spending worldwide expected to grow to around US\$601.27 billion by 2025, AcuityAds is in a sweet spot.

Illumin, its journey automation technology, is the primary growth driver. AcuityAds' proprietary AI offers planning, buying, and real-time intelligence from one platform to marketers. The goal is to help customers improve, if not optimize, their marketing campaign performance.

AcuityAds reported total revenue of \$57.7 million in the first half of 2021, a 31.9% year-over-year growth. The net income was \$4.72 million compared to the \$1.39 net loss in the same period in 2020. With the impressive financial results, you can purchase the stock now while it's trading at a discount.

From sleepers to high-growth

Sleepers Spin Master and AcuityAds have awakened in 2021. Both are the [top picks](#) if you're looking for high-growth stocks to buy in Q4 2021.

CATEGORY

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2. TSX:ILLM (AcuityAds)
3. TSX:TOY (Spin Master)

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