



## Growth Investors: 2 Stocks Are Great Value Buys Right Now

### Description

Growth investors should include **Spin Master Corp.** ([TSX:TOY](#)) and **Park Lawn Corporation** ([TSX:PLC](#)) in their watchlists. The stocks were among the solid performers last year amid a challenging environment. Furthermore, the respective businesses are well-positioned for [organic growth](#) in the quarters or years ahead.

### High-flyer in 2021

Spin Master was a revelation in 2021, with its total return of 65.25%. The diverse portfolio of entertainment franchises, digital games, and innovative toys are plus factors for the dominant player in the toy industry. Its current price of \$43.70 is 8.84% lower than year-end 2021, although market analysts forecast a return potential of at least 25.58% in 12 months.

In Q3 2021 (quarter ended September 30, 2021), the \$4.45 billion global children's company delivered very strong financial and operating results. Spin Master's CFO, Mark Segal, said, "Our Gross Product Sales and Total Revenue were higher than in any quarter in our history."

Segal adds, "The combination of strong sales, diligent cost management, and our continued efforts to refine our operational capability led to record profitability levels." Management reported 25%, 93.5%, and 158% increases in total revenue, entertainment & licensing revenue, and digital games revenue versus Q3 2020.

In October 2021, Spin Master launched a \$100 million corporate venture fund. Its Chairman of the Board, Ronnen Harary, said, "Spin Master Ventures (SMV) will establish us as the partner of choice for entrepreneurs looking for capital to start and grow a business in the kids' space." Harary adds the fund complements Spin Master's acquisition strategy and should bolster the product development pipeline.

The [investment thesis](#) for Spin Master is simple. It will invest in cutting-edge ventures that will shape the future of play in the ever-changing children's entertainment space. SMV will invest and capitalize on medium and long-term trends, including emerging technologies, pioneering services, and other areas that can strengthen Spin Master's offerings.

## High-growth operator

Like Spin Master, Park Lawn was a [winning investment](#) last year (+50.53% total return). This Toronto-based company aims to be the premier funeral, cremation, and cemetery provider in North America. Since 2011, management hasn't stopped embarking on growth, expansion, and strategic positioning in the market. The current share price is \$39.16, while the dividend yield is a modest 1.15%.

Performance-wise, Park Lawn's total return in 10 years is a respectable 624.08% (21.79% CAGR). Market analysts recommend a buy rating and forecast a return potential between 18.57% and 27.68% in one year.

The \$1.34 billion progressive, growth-orientated company delivers high-quality products and services to meet the rapidly evolving needs of the market. In North America's death care industry, Park Lawn generates \$22 billion in revenue (\$18 billion and \$4 billion from funeral homes and cemeteries).

Park Lawn is essentially a high-growth operator in a stable but highly fragmented industry. According to management, the company is uniquely positioned to take advantage of population demographics, particularly the aging of Baby Boomers or people born between 1946 and 1964.

## Visible organic growth

Spin Master and Park Lawn are great buys for growth and value investors. Organic growth in 2022 and beyond is almost in the bag.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:PLC (Park Lawn Corporation)
2. TSX:TOY (Spin Master)

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