3 Linear Growth Stocks for Predictable Wealth Building

Description

When you are building your wealth over time, predictability is a very desirable element to go for in your portfolio. If you know (with reasonable leeway) how much your portfolio will grow in a year on average and what the total dividend-based returns will be, you will have an adequately accurate idea of whether you are on track with your financial goals or not.

To that end, there are three linear growth stocks that you should consider investing in.

A heavy equipment company

Toromont Industries (TSX:TIH) has a well-defined competitive edge. The company (technically, one of its divisions) is one of the largest CAT equipment dealers in the world. And it has built on this edge and diversified its equipment operations. Its second business segment (CIMCO refrigeration) has little overlap with the equipment side and has its own distinct and financially diverse presence.

The stock has been a steady, linear grower for some time now, and even though it experienced slightly more expedited growth post-pandemic, the pattern didn't change too much from its pre-pandemic growth. Its 10-year compound annual growth rate (CAGR) of 19% could help you more than double your capital in half a decade, so the pace of wealth-building would be just as impressive as its predictability.

Engineering professional services company

If you are looking to invest in future-facing professional services and consultancy company, **WSP Global** (TSX:WSP) is a great option to consider. The company is headquartered in Montreal and operates in several countries, though the bulk of its revenue is generated from five countries: the U.S., Canada, U.K., Sweden, and Australia. From a market segment perspective, most of the company's revenue comes from transport and infrastructure services.

WSP stock has been eerily consistent for at least a decade, and it's almost always growing. The only stagnant patch the stock saw was 2020 when the stock didn't pick up the pace till December, and in 2021, it grew per its usual pace. The value, while high, is almost a bargain if the company can keep up its magnificent 10-year CAGR of 23.9%.

An alternative financial company

Goeasy (TSX:GSY) stock has primarily gone in one direction since 2011, i.e., up. While there have been some falls along the way, the overall growth pattern and pace have been relatively consistent. One major exception would be the post-pandemic market, when the stock grew and rose too rapidly to be in sync with its natural pace.

The stock rose over 640% in about one-and-a-half years and has been in a correction phase since the last quarter of 2021. It has fallen about 41% from its peak, and the pattern is not showing any signs of reversing.

Ideally, the stock would go well below $100, and you should be looking to buy the dip, even if the stock shows stagnation before recovering. Its dividend growth is quite enviable, and if its fall becomes more profound, the yield would also be more attractive.

Foolish takeaway

The three growth stocks are not just predictable in their pattern and pace; they can be powerful additions to your portfolio and really expedite your wealth-building pace. They also add a decent amount of diversity to your investments.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:GSY (goeasy Ltd.)
2. TSX:TIH (Toromont Industries Ltd.)
3. TSX:WSP (WSP Global)

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. adamothman
2. jguest

Category

1. Dividend Stocks
2. Investing

Date
2025/08/14
Date Created
2022/03/16
Author
adamothman