



Got \$5,000? 3 Stocks to Hold for the Next 20 Years

Description

It's imperative for stock market investors to have a long-term view of equities, given the S&P 500 has returned 10% annually in the last five decades. So, you need to identify companies that have the potential to grow your wealth over time. These companies should ideally enjoy a wide economic moat and be part of rapidly expanding addressable markets to consistently outpace the broader market.

Here I have identified three such stocks Canadians can buy and hold for the next 20 years.

Brookfield Renewable Partners

One of the largest companies in the [renewable energy space](#), **Brookfield Renewable Partners** ([TSX:BEP.UN](#))([NYSE:BEP](#)) operates 21 gigawatts (GWs) of clean energy assets. These assets consist of wind, hydro, and solar energy. It has a development pipeline of 69 GWs of projects, allowing BEP to triple its existing portfolio in the process.

To achieve its portfolio expansion goals, Brookfield Renewable is likely to deploy over US\$1 billion in capital expenditures in the next five years.

The shift towards clean energy solutions globally is inevitable, and Brookfield Renewable is well positioned to take advantage of this secular tailwind.

Brookfield Renewable also offers investors a tasty dividend yield of 3.4%, and these payouts have increased at an annual rate of 6% since 2013. While the stock is trading 16% below all-time highs, Brookfield Renewable has returned close to 480% to investors in dividend-adjusted gains since August 2012.

Curaleaf

Investors bullish on the [cannabis sector](#) in the U.S. can consider buying shares of **Curaleaf** ([CNSX:CURA](#)), one of the largest marijuana producers in the world. Valued at a market cap of \$5.9

billion, Curaleaf is also trading 77% below all-time highs.

The cannabis heavyweight increased sales from US\$77 million in 2018 to US\$1.21 billion in 2021, driven by the recent wave of legalization south of the border. In the second quarter (Q2), Curaleaf increased sales by 8% year over year to US\$338 million compared to the 20% growth experienced in the March quarter.

Its adjusted EBITDA (earnings before interest, tax, depreciation, and amortization) rose 18% to US\$86 million, allowing Curaleaf to generate US\$12 million in operating cash flow in Q2.

In the first six months of 2022, Curaleaf opened 28 new stores, taking its total count to 145 stores in the United States. Curaleaf's acquisition of Bloom provides it access to Arizona while it began recreational sales in New Jersey earlier this year. Both states are billion-dollar markets and will be key drivers of revenue growth for Curaleaf in the next decade.

Dollarama

One of the top-performing TSX stocks, shares of **Dollarama** ([TSX:DOL](#)) have gained 758% since August 2012, easily crushing the broader markets. Shares of the discount retailer have surged 40% year to date, as consumer spending shifts towards consumer staple goods amid high inflation rates.

With 1,421 outlets, Dollarama is Canada's largest discount retailer and benefits from its wide portfolio of low-cost products. Rising commodity prices and higher interest rates have reduced discretionary spending levels in Canada, spiking demand for Dollarama's products.

Due to its market-thumping gains, Dollarama stock is valued at 30.8 times forward earnings, which is quite steep. But the company is also forecast to increase earnings at an annual rate of 16% in the next five years.

CATEGORY

1. Cannabis Stocks
2. Investing

TICKERS GLOBAL

1. CNSX:CURA (Curaleaf Holdings, Inc.)
2. NYSE:BEP (Brookfield Renewable Partners L.P.)
3. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
4. TSX:DOL (Dollarama Inc.)

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Date

2025/08/12

Date Created

2022/08/26

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