



## Retire As a Millionaire By Investing Just \$500/Month

### Description

Retiring as a millionaire would be a dream for many of us. The dream is achievable provided you are disciplined and start investing early in your career. An investment of \$500/month grown at a CAGR (compounded annual growth rate) of 10% can create wealth above \$1 million over 30 years. Meanwhile, you can save on taxes by investing through a [TFSA](#) (tax-free savings account), with the contribution room for 2022 at \$6,000. So, if you are ready to make these investments, here are my two top picks.

### Waste Connections

**Waste Connections** ([TSX:WCN](#))([NYSE:WCN](#)) is an integrated solid waste management company that has delivered impressive returns of over 86% in the last five years at a CAGR (compounded annual growth rate) of 13.2%. The double-digit growth in its revenue and adjusted EBITDA (earnings before interest, tax, depreciation, and amortization) over the previous five years have driven the company's stock price. Along with organic growth, strategic acquisitions to expand its presence and strengthen its market share drove its financials.

The company primarily operates in exclusive and secondary or rural markets with higher market share, thus allowing it to maintain its margins. Additionally, it has disposable sites closer to waste generation, thus reducing transportation expenses and allowing the company to maintain healthy adjusted EBITDA margins despite acquisitions.

In 2022, Waste Connections has completed several acquisitions, which could contribute US\$470 million to its annual revenue. Despite these acquisitions, the company's adjusted EBITDA margins for the first two quarters of 2022 stood at 31.4%, 40 basis points higher than the previous year. Meanwhile, I expect the growth to continue, given the essential nature of its business, continued acquisitions, and price hikes.

Besides, the company has rewarded its shareholders by raising its dividends at a CAGR of 15% for the last 12 years. So, given its solid business model, stellar track record, and solid growth potential, I am

bullish on Waste Connections.

## Fortis

**Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) operates 10 regulated utility businesses, serving 3.4 million customers by meeting their electric and natural gas needs. With 99% of its assets underpinned by long-term contracts, the company delivers stable and predictable financials, irrespective of the economy. Supported by these regulated assets, FTS has posted an average total shareholder return of over 12.8% for the last 20 years, outperforming the S&P/TSX Composite Index.

Fortis has also rewarded its shareholders by increasing its dividend for the last 48 years, with its forward yield (next 12 months) at 3.7%. Meanwhile, the company has committed to investing around \$20 billion from 2022 to 2026. These investments could strengthen its transmission and distribution assets while expanding its presence in clean energy. Management forecasts its rate base could grow at a CAGR (compounded annual growth rate) of 6% through 2026. The growth in the rate base could boost its financials, thus allowing the company to maintain its dividend growth. Meanwhile, Fortis management expects to raise its dividends at a CAGR of 6% through 2025.

Considering its solid track record, [low-risk business](#), and healthy growth potential, I expect Fortis to deliver returns of over 10%/annum in the long run.

### CATEGORY

1. Investing

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1. NYSE:FTS (Fortis Inc.)
2. NYSE:WCN (Waste Connections)
3. TSX:FTS (Fortis Inc.)
4. TSX:WCN (Waste Connections)

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