

3 TSX Stocks That You Can Hold for the Next 3 Decades

Description

Although the Canadian equity markets have rebounded strongly from their July lows, the inflationary environment and anticipation of aggressive rate hikes by the Federal Reserve of the United States are a cause of concern. Recently, Fed chair Jerome Powell stated that the central bank would adopt stricter measures to tame inflation. These comments have increased the volatility in the equity markets.

However, investors with a [longer investment horizon](#) should utilize these corrections to accumulate quality stocks to earn substantial returns in the long run. Here are three stocks with enormous growth potential.

goeasy

With returns of more than 2200% over the last 10 years while growing at a CAGR (compounded annual growth rate) of 36.9%, goeasy ([TSX:GSY](#)) has been one of the top performers on the **S&P/TSX Composite Index**. Propelled by growth in its lending and leasing services to non-prime borrowers, revenue and adjusted EPS (earnings per share) are growing at a CAGR of 15.9% and 29.1%, respectively, driving its stock price higher. Despite this solid performance, goeasy has acquired just 3% of its addressable market (loans lower than \$50,000). So, it has substantial scope for expansion.

Meanwhile, the company is focusing on increasing its market penetration, expanding its product offerings, strengthening its distribution channels, and improving its customer experience to drive growth. Also, increased loan originations due to improved economic activities could support its growth. goeasy's management projects its loan portfolio to reach \$4 billion by 2024, representing growth of over 65% from its June 30 levels. Its expanding loan portfolio could increase its revenue at a CAGR of 18% through 2024 while providing an annual return on equity of over 22%.

Besides, goeasy has raised its [dividends](#) at an annualized rate above 34% in the last eight years, with its yield for the next 12 months (NTM) at 3.1%. So, given its growth prospects, healthy dividend growth, and attractive NTM [price-to-earnings](#) of 9, I am bullish on goeasy.

Magna International

Magna International ([TSX:MG](#))([NYSE:MGA](#)) is a mobility technology company and one of the largest automotive suppliers in the world. With 343 manufacturing facilities across 28 countries, the company's total sales stand at over US\$36 billion. Over the last 10 years, MG has returned over 360% to shareholders while growing at a CAGR of 16.5%, outperforming the broader equity markets.

The momentum could continue as the company expands its presence in the high-growth EV (electric vehicle) market. *Facts and Factors* [projects](#) the global EV market to grow at a CAGR of 24.5% through

2028. Given its exposure to electrified powertrain, battery enclosures, and ADAS (advanced driver assistance system) markets, I expect Magna International to benefit from the EV market growth.

Notably, the company currently trades at an NTM price-to-earnings multiple of 8.2, lower than its historical average, and pays a quarterly dividend with a yield at 2.42%. So, considering its solid track record, healthy growth prospects, and attractive valuation, I believe Magna International to be another attractive long-term bet.

Nuvei

My final pick would be **Nuvei** ([TSX:NVEI](#))([NASDAQ:NVEI](#)), which provides payment solutions to small and medium-scale businesses across 200 markets. Amid e-commerce growth, digital payments are becoming popular, creating multi-year growth potential for the company. The company is focusing on launching innovative product offerings, adding new APMs (alternative payment methods) to its portfolio, and expanding its presence to new markets to drive growth.

Additionally, Nuvei services regulated online betting operators across North America. With the expanding legalization of betting, the addressable market could expand, driving its growth. Meanwhile, management expects its total volume and revenue to grow at a rate of over 30% in the medium term. Its adjusted EBITDA (earnings before interest, tax, depreciation, and amortization) margin could cross 50% in the long run. Despite its healthy growth prospects, Nuvei trades at an attractive NTM price-to-earnings of 15.4, making it an addition to consider for your long-term portfolio.

CATEGORY

1. Bank Stocks
2. Investing
3. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:NVEI (Nuvei Corporation)
2. NYSE:MGA (Magna International Inc.)
3. TSX:GSY (goeasy Ltd.)
4. TSX:MG (Magna International Inc.)
5. TSX:NVEI (Nuvei Corporation)

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Author

rnanjapla

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