Here Are 3 Canadian Stocks You Should Include in a Long-Term Portfolio

Description

Now is a great time to reshuffle your long-term portfolio and add a few high-quality stocks at prices well below their highs. To create a winning long-term portfolio, investors should focus on the shares of the companies that are growing fast and have a solid history of delivering consistent profits. Against this backdrop, here are three Canadian stocks that are a must-have in a long-term portfolio.

Aritzia

Aritzia (TSX:ATZ) is a top Canadian clothing and accessories fashion brand that is growing its base in the United States. While macro weakness weighed on Aritzia stock this year, it has appreciated by about 348% in five years, reflecting a CAGR (compound annual growth rate) of about 35%.

Aritzia's stellar returns are supported by its robust sales and earnings growth. For instance, Aritzia's revenues have grown at a CAGR of 19% since 2018. During the same period, its adjusted net income increased by a CAGR of 24%.

Its strong product demand and expansion of boutiques will support its sales and earnings growth. Moreover, the expansion of e-commerce capabilities, entry into new product categories, and better pricing will cushion its growth.

goeasy

goeasy (TSX:GSY) is another must-have stock for your long-term portfolio. The leasing and lending services provider has a solid history of consistently delivering strong revenue and earnings growth. Moreover, goeasy is an attractive dividend stock that has consistently increased its dividend for eight years. It's worth highlighting that goeasy's revenues have grown at a CAGR of 16% in the last 10 years. Moreover, its earnings have a CAGR of approximately 34% during the same period.

The strength of its business model is well reflected in its financial and operating performance in 2022. Despite macro concerns, goeasy's top line registered a growth of about 30% in six months of 2022.

Further, its bottom line increased by 15%.

goeasy continues to benefit from higher loan originations, growth in the loan portfolio, and stable credit performance. Moreover, the company expects to grow its revenues at a double-digit rate through 2024. Its broad product range, channel expansion, and strong demand will support its growth. Moreover, efficiency savings will support its earnings growth.

Its solid revenue and earnings growth will support its future payouts. Moreover, the recent pullback in its stock price presents a buying opportunity at current levels.

Cargojet

Cargojet (TSX:CJT) provides time-sensitive air cargo services and has consistently compounded investors' wealth. Strong demand and an extensive domestic network have helped the company deliver solid revenue and earnings growth. Though the normalization in e-commerce demand trends has weighed on Cargojet stock, it continues to grow its revenues fast, implying it is an excellent buy at current levels.

Cargojet's top line grew by 44.5% in the six months of 2022. Further, its net earnings increased by 33.6%, respectively. Its next-day delivery capabilities to Canadian households, contractual arrangements (with minimum revenue guarantee and ability to pass on costs), long-term strategic alliances, and strong balance sheet (with a debt-to-earnings before interest, taxes, depreciation, and amortization ratio of less than one) provide a solid platform for long-term growth.

Cargojet stock is trading at a forward price-to-earnings multiple of 16.9, which is at a multi-year low. Further, increased e-commerce penetration and international expansion will drive its financials and stock price.

CATEGORY

1. Investing

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2. TSX:CJT (Cargojet Inc.)
3. TSX:GSY (goeasy Ltd.)

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