



2 Stocks That Could Turn \$10,000 Into \$30,000 by 2030

Description

Although equity markets are going through a challenging phase due to the inflationary environment and rising interest rates, this has created an entry point for long-term investors. So, if you're a long-term investor, here are two top Canadian stocks that can triple your investment over the next eight years.

Algonquin Power & Utilities

Algonquin Power & Utilities ([TSX:AQN](#))([NYSE:AQN](#)) operates low-risk utility assets and is also involved in [renewable](#) power production, with 82% of its power sold through long-term power-purchase agreements. Supported by its solid underlying business, the company has been growing its revenue and adjusted net earnings at a CAGR (compound annual growth rate) of 23.1% and 26.9% for the previous 10 years. These solid financials have increased investor confidence, thus driving the company's stock price at an annualized rate of 16.2%.

However, the company is under pressure this year, losing around 19.1% of its stock value. The utility business is capital-intensive. So, these companies will have higher debt levels. Rising interest rates increase interest expenses, thus hurting margins. However, the correction has dragged the company's valuation down to attractive levels, with AQN currently trading at an NTM (next 12 months) [price-to-earnings](#) of 13.4, lower than its historical average.

Further, the company has allocated around US\$12.4 billion to invest between 2022 and 2026, with 70% on utility assets and the remaining 30% on the renewable space. These investments could expand its rate base at a CAGR of 14.6% and grow its adjusted EPS (earnings per share) at an annualized rate of 7-9%. So, the company's growth prospects look healthy.

AQN has a solid track record of paying dividends. It has raised its [dividends](#) at a CAGR of over 10% since 2010. Its dividend yield currently stands at a juicy 7%. So, considering all these factors, I expect AQN to triple your investment over the next eight years.

Nuvei

Nuvei ([TSX:NVEI](#))([NASDAQ:NVEI](#)) equips small and medium-scale businesses to accept next-generation payments, including 570 alternative payment methods (APM). The company has been witnessing substantial selling over the last few months due to weakness in the [technology](#) sector. It has lost close to 78% of its stock value compared to its recent highs. Amid the sell-off, its NTM price-to-earnings stands at 14.3, lower than its historical average.

Despite the volatility, I'm bullish on Nuvei due to its long-term growth potential. The expansion of e-commerce will continue to increase the popularity of digital transactions, thus expanding Nuvei's addressable market. Amid growing demand, the company focuses on venturing into new markets, developing innovative products, and adding new APMs, which could drive its growth. Further, its online gaming vertical is growing at an impressive rate of 22% and could reach an annualized run rate of \$100 million.

Given its multiple growth drivers, Nuvei's management projects its volume and revenue to grow at an annualized rate of over 30% in the medium-to-long-term. Besides, its adjusted EBITDA (earnings before interest, taxes, depreciation, and amortization) margin could reach 50%. So, given its high growth prospects and discounted stock price, I believe Nuvei could deliver multi-fold returns over the next eight years.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:NVEI (Nuvei Corporation)
2. NYSE:AQN (Algonquin Power & Utilities Corp.)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:NVEI (Nuvei Corporation)

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Author

rnanjapla

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