Plan to Retire Rich? 3 TSX Stocks to Add to Your Portfolio Now

Description

Stocks are one of the best investments to create wealth in the long term. Buying and holding top-class stocks can help you retire rich thanks to their superior growth. However, when creating a winning portfolio for the long run, investors should focus on companies that have been consistently delivering profitable growth. Moreover, these companies should have ample growth catalysts.

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Against this background, here are my three top picks that could help you retire rich.

goeasy

Shares of **goeasy** (TSX:GSY) are an excellent choice for investors seeking to invest in companies with high growth and strong profitability. It's worth highlighting that goeasy's revenues have had a CAGR (compound annual growth rate) of mid-teens rate in the past decade. Sales leverage, solid credit quality, and operating efficiency have driven its earnings at a breakneck pace (its adjusted net income increased at a CAGR of 33.6%) during the same period.

While goeasy has a solid history of profitable growth, the momentum in its business has sustained in 2022, despite macro concerns. For instance, its top line has increased by 26% in the nine months of this year. Its earnings marked growth of 11% during the same period. Importantly, the company continues to benefit from higher loan originations, and most of its loan originations are of high quality, reducing credit risk.

Its stock has corrected significantly amid fears of an economic slowdown. However, there's nothing wrong with the company's fundamentals, and its stock will bounce back swiftly, as the macroeconomic worries ease.

Its wide product base, loan growth, stable credit performance, and operating leverage will drive its sales and earnings and, in turn, its stock price. Furthermore, goeasy is a top dividend stock and could continue enhancing its shareholders' returns through higher dividend payments.

Cargojet

Air cargo services provider **Cargojet** (TSX:CJT) is a profitable company fit to outperform the broader markets and deliver attractive capital gains. In the nine months of 2022, Cargojet's revenues have increased by 36.6%. Moreover, its adjusted EPS (earnings per share) jumped 56.7% during the same period.

Cargojet's leadership position in the time-sensitive air cargo services in the domestic market, benefits from strategic partnerships, and next-day delivery capabilities to most Canadian households provide a solid foundation for growth. Further, its fuel-efficient fleet, ability to retain high-value customers, contractual arrangements with minimum revenue guarantee, and provisions to pass on costs augur well for growth.

The company is poised to benefit from higher penetration of e-commerce. Moreover, international expansion opportunities should accelerate its growth. It is also reducing debt and optimizing costs, which will drive its stock price.

Aritzia

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Aritzia (TSX:ATZ) is a top consumer discretionary stock and a reliable company to add to your portfolio. The company has been growing pretty well, despite macro concerns. Its revenues have a CAGR of 19%, while its earnings have grown at a CAGR of 24% since 2018. Year to date, its net revenues have increased by 56.3%. Moreover, its adjusted EPS increased by 39% during the same period.

Thanks to its solid growth, Aritzia stock has recovered well and is poised to deliver strong returns on the back of a consistent increase in sales and profitability.

Aritzia expects its top line to increase at a CAGR of 15-17% through 2027, reflecting boutique and product expansion, e-commerce growth, and brand awareness. Leverage from high sales and cost-saving will support its earnings and stock price.

CATEGORY

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

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