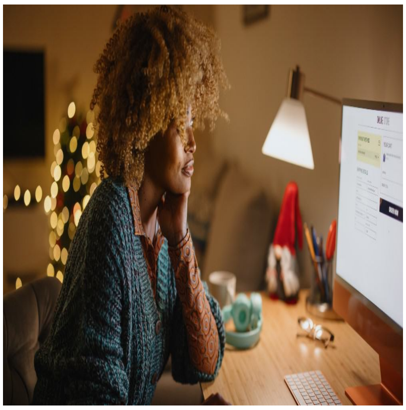

The Top Consumer Stocks to Buy With $100

Description

Shares of consumer companies have proven resilient to the macro headwinds in 2022. For instance, **Metro** stock has outperformed the broader markets and has risen about 16% year to date. In comparison, the S&P/TSX Composite Index is down about 8%.

The outperformance of consumer stocks comes from their defensive business and ability to attract consumers, even in a challenging macro backdrop.

While 2022 is coming to an end, the economic uncertainty suggests that stocks could continue to remain under pressure, making it hard to generate capital gains. However, the low-volatility consumer stocks are poised to generate healthy returns due to the steady demand. Moreover, these companies will likely boost shareholders' value through higher dividend payments. Also, the addition of these stocks to your portfolio will reduce the downside risk.

With this backdrop, let's look at three stocks (besides Metro) that you can buy for less than $100 and beat the benchmark index.

Dollarama

With high inflation taking a toll on consumer spending, **Dollarama** (TSX:DOL) stock is a lucrative investment for safety and growth. Its value pricing and broad offerings drive customers and support its growth. It's worth highlighting that Dollarama stock has grown about 27% in 2022, beating the broader markets by a significant margin.

Besides its broad assortment of consumable products, its extensive store base and presence across all 10 provinces support its growth and provide a competitive advantage.

Investors should note that Dollarama's top line has grown at a CAGR (compound annual growth rate) of 11% since 2011. Furthermore, its earnings increased at an average annualized growth rate of 17%.

Management is confident that high inflation and demand for consumable products will drive its top line, thanks to its value proposition. Further, its continued expansion of stores is a positive. Investors are also likely to benefit from its solid dividend payments.

Alimentation Couche-Tard

Alimentation Couche-Tard (TSX:ATD) is another top consumer stock that investors can buy with $100. Thanks to its recession-resilient business and strong growth, Couche-Tard is valuable stock for investors looking for stability, growth, and income. Like Dollarama, Couche-Tard stock has outperformed the benchmark index in 2022.

Moreover, it is poised to deliver stellar growth on the back of its large store base in Canada and a growing foothold in the United States. Also, its focus on strategic acquisitions will likely accelerate its growth rate and support its stock price.

Its sales and EPS (earnings per share) have had a CAGR of 11% and 20% in the past decade. Moreover, Couche-Tard increased its dividend at a CAGR of 24.7%. The momentum will likely sustain in the coming years due to its value pricing, strength in the U.S. business, and focus on reducing costs. Also, it has low-cost debt and a solid balance sheet to support its long-term growth.

Aritzia

Aritzia (TSX:ATZ) is the final stock on this list. Though its shares are down in 2022, it continues to perform well due to the solid demand for its products. This fashion house has grown its revenues by 19% since 2018. During the same period, its earnings increased at a CAGR of 24%.

Looking ahead, the solid demand, boutique and product expansion, and strengthening of its omnichannel business will support its growth and stock price. Moreover, management is confident of growing its top line at a CAGR of 15-17% through 2027. Further, its EPS growth is forecasted to beat its top-line growth.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

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2. TSX:ATZ (Aritzia Inc.)
3. TSX:DOL (Dollarama Inc.)

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