Got $3,000? These Stocks Could Double Your Money by 2030

Description

Doubling your money by investing in stocks may not be as difficult as you think. In fact, if you invest $3,000 today, you could potentially turn it into $6,000 or more by 2030 by picking the right stocks. The year 2030 is only seven years away.

If you apply the Rule of 72, you will only need a 10.3% total annual return to double your money by 2030. Now, a 10% average annual return is certainly optimistic, but it isn't impossible. In fact, if you are looking to double your $3,000, here are three Canadian stocks that could do that or even better.

A top Canadian retail stock

Alimentation Couche-Tard (TSX:ATD) stock is up 91.8% over the past five years. That equals a 13.9% compound annual growth rate (CAGR), or 14.9% if you include its dividend.

It operates one of the largest convenience and gas station portfolio in the world. You might be familiar with its Circle K, Couche-Tard, and Ingo stores in North America, Europe, and Asia.

While it is a bit of a boring business, Couche-Tard has done a wonderful job growing the business by making smart acquisitions and profitable internal investments. The convenience store space is very fragmented, so it still has plenty of acquisition opportunities to grow.

The company generates a lot of excess cash, so it has consistently increased its dividend and bought back stock. Since 2020, it has bought back nearly 9% of its stock. This could set the stock to generate even better returns going forward. Today, it trades at a reasonable valuation of only 16 times earnings.

A leading consulting firm

WSP Global (TSX:WSP) stock is up 178% over the past five years. That equals a 22.7% CAGR, or 22.9% if you include its minuscule 0.88% dividend.

WSP has become one of the largest consulting, engineering, design, and project management firms in the world. Like Couche-Tard, it has grown by acquiring and consolidating smaller consulting firms under its umbrella. It has completed nearly 200 acquisitions over its company history.

Over the past couple of years, WSP has made a couple of large +$1 billion deals in the environmental space. This is a fast-growing segment, and WSP is now a leader in the space. This should help fuel some attractive long-term growth opportunities.

WSP stock is not cheap at 27 times earnings. However, for a company with a great track record of execution, a strong balance sheet, and multiple avenues to grow, WSP might be worth holding for the long term.

A top consumer discretionary stock

Another stock that has thoroughly beaten the 10% return threshold is **BRP** (TSX:DOO). Over the past five years, its stock has risen 126%. That equals a 17.8% CAGR.

BRP sells some of the most innovative recreational vehicles in the world. Its brands, Ski-Doo, Sea-Doo, and Can-Am, are leaders in their categories. Not only is BRP gaining market share across its brands, but it is also creating new categories (like the hydrofoil or the Sea-Doo Switch) that are attracting very high demand.

Despite BRP's success, the stock only trades for 12 times earnings. The market has been worried about the effects of a recession on its sales. However, so far, none of these worries have materialized.

BRP generates a lot of free cash flow, and it has been using that to aggressively buy back stock. Since 2020, it has bought back near 13% of its stock. A continuation of shareholder-friendly moves are expected to come in the years ahead.

CATEGORY

1. Investing
2. Stocks for Beginners

TICKERS GLOBAL

1. TSX:ATD (Alimentation Couche-Tard Inc.)
2. TSX:DOO (BRP Inc.)
3. TSX:WSP (WSP Global)

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