



Here's My Top Growth Stock to Buy Now

Description

Is your portfolio diversified? Having a good mix of income-producing and growth-focused stocks to balance your portfolio is always a recommended course of action. But what growth stocks should investors turn to during [times of volatility](#)? To help answer that question, here's a look at one of my top growth stocks to buy, and not just right now!

A great growth stock for any time of the year

In my opinion, the top growth stock to buy now is **Dollarama** ([TSX:DOL](#)).

Dollarama is the largest dollar store operator in Canada. The company boasts an impressive network that includes a presence in every province. Dollarama also operates a growing international portfolio of stores under the Dollar City brand.

That international group currently amounts to 395 stores across several Latin American countries. Dollarama is keen on expanding that number, targeting a network of 600 stores within the next six years.

That aggressive stance on expansion isn't anything new for Dollarama. The company has always looked at expansion opportunities, and that drive is a key reason why Dollarama has expanded to over 1,400 locations in Canada.

But why is Dollarama my top growth stock right now?

That comes down to Dollarama's unique business model and the current market.

The volatility we witnessed in the market during 2022 has followed us into 2023. As such, consumers are looking at cutting expenses by seeking out more frugal options. Often, this will lead to shopping in a Dollar store such as Dollarama. This is a key reason why Dollar stores like Dollarama are known to thrive during times of volatility.

Turning to Dollarama's business model, the retailer prices goods across several fixed price points. As of the time of writing, that range is between \$1 to \$5 per item. This allows the retailer to stock a large variety of items.

Furthermore, the retailer is known to bundle several items into one of those price points. This provides consumers with an even greater sense of value, which is exactly what inflation-wary shoppers are looking for right now.

Why should you buy Dollarama right now?

Dollarama was one of the few companies on the market that finished 2022 in the black. In fact, over the trailing 12-month period, Dollarama's stock price has surged an incredible 27%.

That stellar performance doesn't stop there. Looking further back the stock has gained a whopping 57% over the past two-year period. And as we get further into 2023 and beyond, that growth is set to continue, fueled by strong results.

By way of example, in the most recent quarter, Dollarama posted sales of \$1.3 billion. This reflects an impressive 14.9% increase over the prior period. More importantly, those impressive results allow Dollarama to keep expanding.

Additionally, prospective investors should note that Dollarama provides some defensive appeal, which is a rare thing for a growth-focused stock.

Finally, investors will like that Dollarama pays out a quarterly dividend. The current yield is only a paltry 0.27%, but it has increased steadily for over a decade.

In short, Dollarama is a great [long-term growth stock](#) that, in my opinion, should be a small part of every well-diversified portfolio.

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