Got $5,000? 3 TSX Stocks You Can Confidently Own for the Next 20 Years

Description

The economic environment continues to remain challenging for corporations. Regardless of the macro headwinds, a few Canadian companies continue to perform well and deliver solid financial results. Their ability to drive sales and profitability shows the resiliency and strength of their business model, making them an attractive long-term investment to create wealth.

If you can spare $5,000 and invest in equities, here are three Canadian stocks to confidently own for the next 20 years and beat the broader market averages.

A top consumer stock

With solid double-digit sales and earnings growth, **Aritzia** (TSX:ATZ) is a solid long-term investment in the consumer discretionary space. It's worth highlighting that the company has consistently delivered profitable growth in the past five years, regardless of the market conditions.

For instance, its net revenues increased 48.3% in the nine months of fiscal 2023. Meanwhile, its adjusted earnings per share are up about 22.7%. This growth comes despite significant macro headwinds, including record-high inflation and rising interest rates. Furthermore, Aritzia's revenue and earnings have grown at a compound annual growth rate of 19% and 24%, respectively, from fiscal 2018 to fiscal 2022.

The solid demand for its designs and offerings, full-price selling, the opening of new boutiques, expansion in the United States, and strength in its e-commerce platform are driving the increase in sales, profitability, and the stock price. Management projects revenues to increase by an annualized rate of 15-17% through 2027. Meanwhile, its earnings per share will likely grow faster than its sales.

A fast-growing defensive company

With its defensive business and high growth, **Dollarama** (TSX:DOL) is a solid long-term pick. This large-cap company has consistently delivered stellar sales and earnings, and outperformed the benchmark index. The value retailer's top line has increased at a CAGR of 11% since 2011. Meanwhile, earnings grew at a CAGR of 17%. Further, the momentum in its retail business has sustained in fiscal 2023.

Dollarama's low fixed price points, broad product mix, and large store base augur well for growth. Its strong value proposition, focus on growing its store presence in the domestic market, and international expansion position it well to deliver profitable growth.

Thanks to its growing earnings base, Dollarama has consistently increased its dividend. Thus, investors looking for safety, growth, and income could easily rely on this value retailer to create wealth.

A non-prime lender

goeasy (TSX:GSY) is Canada's leading non-prime lender. It has a track record of delivering solid growth. Revenue grew at a CAGR of 15.9% from 2011 to 2021. Meanwhile, net income increased by a CAGR of 38.2%. For the nine months of 2022, goeasy produced revenue growth of 26%. Further, its adjusted net income increased by 11%.

Higher loan originations and a growing consumer loan portfolio continue to support its top line. Meanwhile, its steady credit and payment performance, and operating efficiency support bottom-line growth. The company is well-positioned to benefit from its broad product base and omnichannel offerings. Further, a large subprime lending market will support its growth.

goeasy is also a solid dividend stock that has consistently enhanced its shareholders' return. By investing in goeasy stock, investors could benefit from both solid capital gains and regular dividend income.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:ATZ (Aritzia Inc.)
2. TSX:DOL (Dollarama Inc.)
3. TSX:GSY (goeasy Ltd.)

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1. Investing

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