The High-Growth Stock Every Portfolio Needs

Description

Growth is more difficult to predict than dividends, which is why many conservative investors prefer the latter. Dividends offer better predictability of returns, and any capital appreciation over the established dividend income can be considered a bonus. It's a valid investment strategy that has worked for numerous Canadian investors over the decades.

But it's a relatively long-term strategy, and even if you hold the stocks that offer a good mix of growth and dividends, this portfolio can only take you so far. You need the right growth stock to expedite the pace of your portfolio's growth. Even though there are hundreds of options that might be the right fit for many different investor profiles, there is one that may deserve a place in every portfolio.

The company

Montreal-based **WSP Global** (TSX:WSP) has been around for over a century, in the form of at least one of the companies that merged to form the WSP Global we know today. It's one of the most promising large-cap stocks in Canada, especially when it comes to capital appreciation potential.

The company has an interesting history and roots in at least three countries – Canada, the UK, and the US. The individual businesses that merged to form WSP Global have long and proud histories, as well as some great projects to their names.

It's basically an engineering solutions company with a comprehensive portfolio of services, including transportation, construction, energy, industry, and water management. The professional engineering consultancy has worked on major projects all across the world. But the main edge of the company has to be its drive to stay ahead of the curve. WSP has an immense network of expert professionals at its disposal and an impressive global presence.

The stock

WSP is a powerful growth stock. It has risen over 400% in the last nine years, and even though the growth hasn't been perfectly uniform, it was quite consistent, at least until the 2020 crash. However, the stock handled the crash better than most other stocks on the TSX and has almost recovered from the post-pandemic correction phase.

If we average out its growth over the nine-year span, that comes out to about 44.4% a year. But even if the stock falls short of this mark and grows roughly 20% a year almost consistently, you can double your capital in just five years. You also get modest dividends on top of the growth.

If the company can maintain its high growth pace, you can expect to double your capital in just three years. And if you can hold the stock in your portfolio for decades, the long-term returns can be substantial for your portfolio.

Apart from a strong business model, diversified revenue sources, and an impressive footprint, another strength worth considering is its low debt. Combined with its steady revenues, this makes it a financially healthy stock option that you can hold long-term in your portfolio.

Foolish takeaway

As one of the top stocks in Canada offering reliable and consistent growth along with sustainable dividends, WSP Global is one of the best growth stocks you can add to your portfolio. The business model and healthy financials also make it an easily palatable choice for almost all types of investors.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:WSP (WSP Global)

PARTNER-FEEDS

1. Business Insider
2. Flipboard
3. Koyfin
4. Msn
5. Newscred
6. Quote Media
7. Sharewise
8. Smart News
9. Yahoo CA

PP NOTIFY USER

1. adamothman
2. cleona

Category

1. Dividend Stocks
2. Investing

Date
2025/06/27
Date Created
2023/02/10
Author
adamothman