



These 3 Growth Stocks Have Strong Tailwinds

Description

If you're going to invest, plunk some money down in companies that have prevailing winds behind them moving them forward. Here are 3 stocks in growth sectors to consider:

1. Beverage manufacturing

Constellation Brands ([NYSE: STZ](#)) is the global leader in premium wine, the number three beer company in the U.S. and the leading multi-category beverage alcohol company in the U.S. The company is a cash flow generator. For fiscal 2015, it is projecting free cash flow of \$425-500 million. This includes its operating cash flow target of a minimum of \$1 billion.

For fiscal 2013, Constellation Brands increased market share en masse across all channels in U.S. Wine and Spirits, and for wine in Canada. Last year, the company completed its acquisition of Grupo Modelo's U.S. beer business from Anheuser-Busch InBev. Constellation gained a modern brewery in Mexico and an exclusive perpetual brand license in the U.S. to import, market, and sell Corona and Modelo brands. For fiscal 2014, the large increase in consolidated net sales was propelled by \$2 billion of incremental net sales related to the consolidation of Crown's commercial beer business.

Regarding Constellation Brands fiscal 2014 results, Rob Sands, company President/CEO, said, "From a marketplace perspective, this is the fourth consecutive year of market share gains for our iconic beer portfolio with Corona Extra registering strong growth and Modelo Especial continuing to grow double digits while surpassing the 50 million case milestone."

2. Computer systems design and related services

CGI Group ([TSX: GIB-A](#))([NYSE: GIB](#)) services include high-end business and IT consulting, systems integration, application development and maintenance, infrastructure management, and proprietary solutions. For fiscal 2013, the company had revenue of \$10,084.6 million. This represents an increase of \$5,312.2 million or 111.3% over fiscal 2012.

This was principally because of its Logica acquisition. Fiscal 2013 was the first full year of results from Logica's businesses. Logica is an Anglo-Dutch business and technology services company. With the

Logica acquisition, CGI became the fifth largest independent IT and business process services company in the world. Previously, in 2010, CGI acquired Stanley, Inc., which almost doubled the size of its U.S. operations.

For Q2 2014, CGI Group reported revenue of \$2.7 billion, versus \$2.5 billion in the prior year period. This represents growth of 7.0%.

Recently, CGI Group signed an agreement to extend its existing service contract with **Yellow Pages Group** ([TSX: Y](#)). The four-year extension is for CGI to continue to supply its services to Yellow Pages until the end of 2023. Yellow Pages Group is Canada's foremost digital media and marketing solutions provider.

3. Support activities for oil, gas, minerals

Precision Drilling ([TSX: PD](#))([NYSE: PDS](#)) provides onshore drilling, completion, and production services to exploration and production (E&P) companies in the oil and natural gas industry. The company is the largest oilfield services company in Canada and one of the largest in the United States. In 2013, 49% of its revenues were from Canada, 44% from the U.S., and 7% from international operations.

For Q1 2014, Precision Drilling net earnings were \$102 million, or \$0.35 per diluted share. This is in comparison with net earnings of \$93 million, or \$0.33 per diluted share, in Q1 2013. Because of higher pricing and drilling activity in Canada, the U.S. and internationally, its revenue in Q1 was \$672 million, 13% higher than Q1 2013.

As of March 7, 2014, the company had term contracts in place for an average of 101 rigs (51 in Canada, 43 in the U.S, and seven internationally) for 2014. Precision Drilling's fleet of rigs is strategically deployed across the most active drilling regions in North America. This includes all of the major unconventional oil and natural gas basins.

Recently, Precision Drilling's board declared a 2Q 2014 dividend on its common shares of \$0.06 per common share.

Go with the flow in sectors that continue to build momentum. These three stocks have the potential for growth and can add value to your portfolio.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:GIB (CGI Group Inc.)
2. NYSE:PDS (Precision Drilling Corporation)
3. NYSE:STZ (Constellation Brands Inc.)
4. TSX:GIB.A (CGI)
5. TSX:PD (Precision Drilling Corporation)
6. TSX:Y (Yellow Pages Limited)

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