



3 Growth Stocks for Ambitious Investors

Description

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Investors want their portfolios to work as hard as they can for them, and many investors are willing to take on some risk in order to reach their ambitious targets for their investment nest eggs. With that in mind, three Motley Fool contributors looked for some strong stocks for risk-tolerant investors with potential for dramatic gains. Below, you'll learn why **NVIDIA** ([NASDAQ:NVDA](#)), **Synaptics** ([NASDAQ:SYNA](#)), and **Camping World Holdings** ([NYSE:CWH](#)) made the list, and whether they belong in your portfolio.

The brains behind the brawn

Seth McNew (NVIDIA): Chipmaker NVIDIA has its hands in a lot of pots. The company's four main segments include products for gaming, professional visualization, datacenter, and automotive. The company produces Graphics Processing Units (GPUs) and other equipment that helps power some important names — such as **Tesla** and the U.S. Department of Energy.

For the fiscal year 2017 ended January 29, NVIDIA's sales climbed 38% over fiscal-year 2016. That number could jump much higher this year as the company expands its GPUs for virtual reality-enabled laptops, and also signs more and more deals with automotive companies looking to use its technology for self-driving features.

[NVIDIA stock](#) has been incredibly well-performing as well, rising nearly 700% over the last five years. However, the stock's valuation has also grown, which has made it hard for earnings to keep up with such high market expectations. So far, the company mostly has kept up, but the stock pulled back recently when the company released earnings for the fiscal year ended January 29, and even a full year earnings-per-share growth of 138% year over year didn't make the cut. Still, the stock is still trading at just 30 times forward earnings estimates for next year — a good sign for ambitious investors willing to bet on the continued long-term growth of this company.

Tremendous value equals tremendous growth potential

[Tim Brugger](#) (Synaptics): The “human interface solutions” provider doesn’t turn heads as some growth stocks do. After its 4% increase in share price following its solid fiscal 2017 third-quarter earnings on April 27, Synaptics’ shares are up just 2.5% year to date. Toss in a sky-high price-to-earnings (P/E) ratio of 81, and ambitious investors should look elsewhere, right? Not so fast.

Last fiscal year was a tough one, so many pundits expect the improved comparables will lead to more strong quarters like Synaptics’ recent one. Synaptics reported a 10% jump in revenue to \$442.2 million that, when combined with its expense-management efforts, resulted in a 5% improvement in per-share earnings to \$1.27, excluding one-time items.

It’s not what Synaptics has done that makes it a sound growth stock for investors with some time and risk tolerance; it’s what’s coming. Synaptics’ new in-display fingerprint-sensor solution could prove to be a game-changer, and not only in the smartphone market. Another focus of CEO Rick Bergman is dominating Synaptics’ piece of the fast-growing business in auto infotainment centers.

One conservative estimate suggests that the market for car infotainment centers will grow to more than \$52 billion in five years. Taking a leadership position in burgeoning markets certainly bodes well for Synaptics in the years ahead, as does its relative value.

Value...but it’s trading at the aforementioned 81 times earnings? Here’s a tidbit many investors seem to have overlooked: Synaptics’ forward P/E is a mere 12.5 times earnings. Synaptics’ forward P/E speaks to its relative value, making it ideal for long-term, ambitious investors.

This retro growth idea is hitting the gas pedal

[Dan Caplinger](#) (Camping World Holdings): Most growth investors wouldn’t think to look to the recreational-vehicle industry as a source of current revenue or profit growth. Yet the decades-old industry has enjoyed a huge renaissance lately, as a new generation of travelers has seen the appeal of bringing their familiar accommodations with them on the open road.

Camping World Holdings has positioned itself to be a one-stop shop for people searching for RVs and related accessories. With spacious retail locations, resources for buyers looking to get into the RV market, and networks of similarly minded RV owners for new prospects to connect and communicate with, Camping World has special appeal to those who are new to recreational vehicles but want to know more.

[The success of Camping World](#) has shown up in its financials. In its most recent quarterly report, comparable-store sales were up almost 10%, and the RV specialist saw particularly impressive gains in its sales of roadside assistance and similar financial and insurance-related products. At the same time, new RV sales have remained strong, helping to power Camping World’s overall revenue higher. With expectations that the demand for recreational vehicles will only increase as entry-level customers seek to move up to more spacious RVs over time, Camping World could well have a long road ahead of it.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NASDAQ:NVDA (NVIDIA Corporation)
2. NASDAQ:SYNA (Synaptics Incorporated)
3. NYSE:CWH (Camping World Holdings Inc.)

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