These 3 Stocks Have Seen Profits Double in Just 3 Years

Description

Tech stocks often get most of the hype when it comes to investing, with shares like **Amazon.com, Inc.** and **Shopify Inc** seeing incredible growth over the past few years. However, tech stocks can provide some instability in the long-term and may not necessarily be the most profitable options out there. The three companies I have listed here have achieved strong sales and profit growth over the past few years.

Algonquin Power & Utilities Corp (TSX:AQN)(NYSE:AQN) owns many clean and renewable energy companies and is in a very stable industry. In three years, the company has seen revenues rise from $675 million in 2013 to over $1.1 billion in 2016, for an increase of 62%. Year-over-year the company's sales have averaged a compounded growth rate of about 18%.

Profitability has been even more impressive for the company with profits growing from $20 million to over $130 million in just three years. Algonquin has also seen its profit margins rise from 3% in 2013 to 12% in the last fiscal year. A profit margin of over 10% is difficult to attain, and that makes Algonquin a very good investment that is able to add significantly to its bottom line with incremental sales.

Constellation Software Inc. (TSX:CSU) is another strong company that develops and implements customized software for organizations. Constellation's revenue in 2016 was $2.1 billion, up 76% from 2013 and averaging a growth rate of 21% year-over-year. The company is still experiencing high growth with its most recent year seeing revenues up 16% from 2015.

Like Algonquin, Constellation has seen its profitability increase at an even higher rate. Profits have grown by 122% in three years, going from $93 million in 2013 to over $200 million for 2016. In its most recent fiscal year the company has also been able to achieve a profit margin of 10%, up from three years ago when Constellation was able to bank only 8% of its sales.

Constellation is a service-oriented business that has been able to attain high gross margins and so there might still be more efficiencies that could be gained which can result in an even stronger bottom line.

DHX Media Ltd. (TSX:DHX.B)(NASDAQ:DHXM) is a producer and broadcaster of family and kid-friendly content in both television and film. In 2016 the company saw its sales hit over $300 million, and were more than triple the company's 2013 revenues of just $97 million. After an explosive 2015 where the company saw its revenue more than double in a single year, 2016 saw a more modest year-over-year increase of 15%.

DHX Media has the worst profitability of all three companies, and its profit margins were still 9% last year. For a media company facing the challenges of programming and cord-cutting, the company has found ways to grow profitability from just 2% of revenue three years ago. On a percent basis, the company has seen profits grow from less than $2 million in 2013 to over $27 million in 2016, for an astounding increase of 1,388%.

Bottom line

All three companies here have good fundamentals and offer long-term growth. If you are investor looking for a growing and profitable company, it would be hard to go wrong with any of the ones listed here. Each company has done well in its industry and has the ability to grow further while also banking profits.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing
4. Tech Stocks

TICKERS GLOBAL

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