



2 Top Growth Stocks You've Never Heard of

Description

If you're willing to look away from the technology sector to generate some super-sized returns, then I have two top growth stocks you may have never heard of.

Over the past several years, these companies have rewarded their investors in a big way without catching too much attention from investors. Let's find out about these two hidden jewels.

Methanex Corporation

Methanex Corporation ([TSX:MX](#))([NASDAQ:MEOH](#)), headquartered in Vancouver, is the world's largest producer of methanol. Methanex currently operates production sites in Canada, Chile, Egypt, New Zealand, Trinidad, Tobago, and the U.S.

Methanol is used in many industrial products such as adhesives, foams, plywood floors, solvents, and windshield washer fluid. Approximately 45% of the world's methanol is used in energy-related applications. It can also be used on its own as a vehicle fuel or blended directly into gasoline to produce a high-octane, efficient fuel with lower emissions than conventional gasoline.

To serve its global regions, Methanex operates an extensive supply chain of terminals, storage facilities, and the world's largest dedicated fleet of methanol ocean tankers.

Methanol demand is growing fast, and that's obvious when you look at Methanex's share performance over the past five years. Methanex stock has soared by 134% to \$63.90 during that time and about 60% in the past 12 months.

Methanex is also a great dividend stock. With an aggressive share-buyback plan, the company has also raised its quarterly dividend 11 times since 2002. With a dividend yield of 2.3%, the company pays a \$0.30-a-share quarterly payout.

Martinrea International Inc.

My second pick is **Martinrea International Inc.** ([TSX:MRE](#)), a stock which hardly gets any attention, as most investors focus on its bigger rivals in the auto parts industry.

Vaughan, Ontario-based Martinrea, however, is an impressive growth story. The company operates 44 facilities in eight countries, including Canada, the U.S., Mexico, China, and Germany, serving some of the largest car makers in the world.

Trading at \$11.44 a share, its price is up 33% this year with another 30% appreciation expected when you look at the consensus price target by analysts who cover this stock.

In the second-quarter earnings report last month, Martinrea reported \$0.55 earnings per share, up from \$0.44 a share in the same period a year ago, beating consensus estimate of \$0.51 a share.

Martinrea also pays a quarterly dividend of \$0.03 a share. Yielding just above 1%, the company's management has maintained the dividend at this level since 2013, when its first started delivering payouts.

The average 12-month target price for this stock is \$14.43 a share, implying the share price has 26% upside potential over the next year.

The bottom line

Both Methanex and Martinrea aren't under the radar of many investors. But the performance of these stocks suggests that they're backed by good and growing businesses which have the potential to produce greater returns for investors in many years to come.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

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2. TSX:MRE (Martinrea International Inc.)
3. TSX:MX (Methanex Corporation)

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