3 Stocks That Have More Than Doubled and Still Have Room to Grow

Description

Avigilon Corp. (TSX:AVO)

At the end of 2016, Avigilon shares hit lows of just over $8, as the company struggled to maintain the strong revenue growth that was expected of it and as margins deteriorated sharply.

Currently trading 150% higher at over $20, Avigilon has been on a tear.

Four of the last five quarters have performed significantly above expectations, as the company has dramatically improved margins and new products have driven growth.

To illustrate this, the third quarter of 2017 saw a revenue increase of 13% and a 38% increase in earnings per share, as operating leverage and operating expenses as a percentage of revenue were 39% compared to 44.8% in the same period last year and compared to 41.9% last quarter.

Going forward, the very attractively valued stock will benefit from continued new product introductions, the company's lucrative patent portfolio, and continued operating efficiencies.

Ballard Power Systems Inc. (TSX:BLDP)(NASDAQ:BLDP)

Ballard shares have increased 156% year to date, as the company has continued to make inroads in the fuel cell industry, in terms of acceptance and performance of the technology.

From buses to trains to cars, the fuel cell is quickly gaining traction around the world, and Ballard has been at the forefront of this movement.

In 2016, revenue increased 51% to $85 million. And in the first nine months of 2017, revenue increased 48% (54% in the third quarter), and the gross margin was 36% versus 27% in 2016. In 2015, the gross margin was 18%.

We can see that gross margins have been improving dramatically, as the company has been working costs down, benefiting from scale and volume, and increasing revenue from its higher-margin businesses.

According to management, we can expect this trend to continue as the company does more of the same in 2018.

Indigo Books and Music Inc. (TSX:IDG)

Indigo shares have increased from approximately $8 in 2014 to current levels of more than $18 for a return of 125%.

With same-store sales growth of 2.8% in the latest quarter, Indigo continues to see momentum in its online platform and merchandising revenue.

The company is undergoing a major shift, rolling out its newly re-imagined concept to transform the stores from a bookstore to a cultural department store for book lovers. Indigo is the new age department store.

This is perfect timing, as Indigo will surely benefit from Sears Canada's demise.

These new stores are seeing results that are blowing away the competition as well as Indigo's traditional stores, posting an average revenue growth rate of 16% and improved retail metrics.

The company maintains a healthy balance sheet with cash and short-term investments of $171 million and no debt.

And in a bold move, where many others before the company have failed, Indigo has announced its intention to enter the U.S. market with a Chapters store in New Jersey, hoping to replicate its success in Canada.

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