

## Top 3 Growth Stocks for 2018

### Description

A new year is coming, and with it is the opportunity to contribute \$5,500 to your TFSA if you have already maximized your contributions. After you make your contribution, you have to decide what you want to invest your money in.

If you want to profit the most from your TFSA, buying growth stocks is a good idea. Growth stocks can give you high returns, and you will never have to pay any taxes on capital gains or dividends.

If you don't know which stocks to buy, you will find three growth stocks below that I think will perform well in 2018.

#### **Premium Brands Holdings Corp.** ([TSX:PBH](#))

This specialty food company has an impressive track record, with a five-year compound annual return of 45%.

Third-quarter results showed record revenue of \$557.6 million, up 15.9% from the same period in 2016. Adjusted earnings per share came in at \$23.3 million, or \$0.78 a share, up 8.8% and 6.8%, respectively, from the same quarter last year.

Premium Brands is growing by making several acquisitions. Its latest acquisitions took place last month and consisted of three U.S. companies: Buddy's Kitchen Inc., Raybern Foods, and a 50% stake in Shaw Bakers.

Premium Brands's earnings are estimated to grow at a rate of 24% on average for the next five years, and it has a return on equity of 19.63%.

#### **Quebecor, Inc.** ([TSX:QBR.B](#))

This telecommunications company has a strong performance record, with a five-year compound annual return near 20%.

Quebecor reported strong third-quarter results, as the company's wireless business reached one million residential and business mobile subscribers.

The telecommunications and media conglomerate reported a swing from a loss of \$8.3 million, or \$0.07 a share last year, to a profit of \$171.9 million, or \$1.42 a share in the third quarter. This profit was boosted by a \$243 million gain coming from its \$430 million [sale of spectrum licences to Shaw Communications Inc.](#)

Quebecor's revenue was up 3.6% to \$1.03 billion, while adjusted income from continuing operations increased by 14.4% to \$97.2 million, or \$0.81 a share.

According to management, wireless was the primary driver of this strong performance, and growth mainly came from services based on data usage.

Quebecor's earnings are estimated to grow at a rate of 16.2% on average for the next five years, and it has a very high return on equity of 57.9%.

**Sierra Wireless, Inc.** ([TSX:SW](#))([NASDAQ:SWIR](#))

This wireless solutions provider has a five-year compound annual rate of return of 28%.

Revenue for the third quarter of 2017 was \$173.2 million, an increase of 12.8% compared to the same quarter in 2016. Net earnings were \$7.6 million, or \$0.23 per diluted share in the third quarter this year, up 85.4% and 76.9%, respectively, from the third quarter last year.

The provider of fully integrated device-to-cloud solutions for the Internet of Things (IoT) is pursuing [growth through technology innovations](#), new product launches, new customer wins, and strategic acquisitions.

The company completed the acquisition of Numerex Corp. on December 7. According to Jason Cohenor, Sierra Wireless's president and CEO, the acquisition of Numerex accelerates the company's IoT device-to-cloud strategy by adding an established customer base, proven solutions, and recurring revenue scale. The combination of the two companies creates a global leader in IoT services and solutions.

Sierra Wireless's earnings are estimated to grow at a rate of 21% on average for the next five years, and it has a return on equity of 6.29%.

## CATEGORY

1. Dividend Stocks
2. Investing
3. Tech Stocks

## POST TAG

1. Editor's Choice

## TICKERS GLOBAL

1. NASDAQ:SWIR (Sierra Wireless)
2. TSX:PBH (Premium Brands Holdings Corporation)
3. TSX:QBR.B (Quebecor Inc.)
4. TSX:SW (Sierra Wireless)

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**Date**

2025/07/04

**Date Created**

2017/12/27

**Author**

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