



3 Top Growth Stocks to Buy Right Now

Description

Recent market weakness has given us a few opportunities to buy certain high-quality [growth stocks](#) that we like at even better prices for a higher potential return.

Here are three such stocks.

CCL Industries Inc. ([TSX:CCL.B](#))

CCL Industries may not be what we think of when we think of a growth company. But this \$10 billion label and packaging company is just that.

The company has grown from revenue of \$1.2 billion in 2009 to revenue of \$3.9 billion in 2016 for a compound annual growth rate of 18.3%.

The corresponding increase in free cash flow has been even more impressive. In 2009, the company generated \$52.3 million in free cash flow, and in 2016 it generated \$329 million for a compound annual growth rate 30%.

The stock price has weakened recently, seeing an 18% fall from highs of last year in what will prove to be an attractive buying opportunity.

The company reported third-quarter 2017 revenue growth of 10.8%, with organic sales growth of 4.6% in the legacy CCL business, and 0.4% organic sales growth company-wide.

A sharp increase in resin prices, which is an input cost for CCL, negatively affected the quarter, which saw a 23% increase in EPS to \$0.59, below expectations, but still very strong. This is a temporary thing though, as it is related to shortages caused by Hurricane Harvey, so the company and the stock will continue its rise to new heights.

Richelieu Hardware Ltd. ([TSX:RCH](#))

Richelieu Hardware has fallen 11% from recent highs, but the growth story is intact.

Richelieu Hardware has been and continues to be a very well run business that generates superior returns and has proven to be a good steward of investors' capital.

This is evidenced by its consistent strategy of growth through acquisitions, and organically, that has yielded strong growth, strong returns (return on equity of 16.7% and return on investment of 16.6%), strong cash flow generation, and the maintenance of a strong balance sheet, which has given the company the flexibility needed to thrive in every market environment.

Third-quarter 2017 sales increased 15% (6.9% organic growth and 9.5% from acquisitions), as the company continues its path of consolidating the market and gaining market share in the U.S. and Canada.

Waste Connections Inc. ([TSX:WCN](#))([NYSE:WCN](#))

Waste Connections is beating expectations, [raising its dividend](#), and seeing its stock soar in the last year.

And with a 24% dividend-growth rate in 2016, a 17% dividend increase in the third quarter of 2017, and an almost doubling of the share price since January 2016, Waste Connections has given investors the best of two worlds: growing dividend income and capital appreciation.

Waste Connections is the third-largest solid waste company in North America, and with size and a clean balance sheet on its side, the company is well positioned to continue to return cash to shareholders and pursue its goal of continuing to consolidate its fragmented industry through acquisitions.

So, there you have it: three growth stocks that are set to soar in 2018 and beyond.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:WCN (Waste Connections)
2. TSX:CCL.B (CCL Industries)
3. TSX:RCH (Richelieu Hardware Ltd.)
4. TSX:WCN (Waste Connections)

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