3 Growth Stocks to Hold for the Remainder of 2018

Description

The S&P/TSX Composite Index was back above triple digits as of morning trading on August 16. External factors have resulted in a short bout of volatility for the index. The Turkish lira crisis even has some economists warning of the possibility of an international pullback similar to the Asian debt crisis in the mid-1990s.

Investors may consider shifting their strategy during these periods — in particular, those who are heavily weighted in growth-oriented equities. Today, we are going to look at three stocks that have remained robust during this pullback and should be top-shelf holds for the rest of 2018.

Kinaxis (TSX:KXS)

Kinaxis was down 0.14% in morning trading on August 16. Shares have climbed nearly 30% in 2018 so far. The Ottawa-based company provides software for supply chains solutions and operations planning. It released its second-quarter results on August 2.

Prior to IFRS standards, revenue had climbed 22% year over year to $40 million with subscription services up 24% to $26.5 million. Kinaxis reported record revenue in Europe and also launched its self-healing supply chain application. It managed to snag some larger clients in the second quarter, including Volvo, Ipsen, and Extreme Networks.

Kinaxis stock has been one of the top growth stocks on the TSX since its initial public offering in June 2014. Its software is well positioned to grow in demand, as companies look to modernize supply chains in an increasingly complex global market. The stock is scratching triple digits in value but it is still a buy in August.

Badger Daylighting (TSX:BAD)

Badger Daylighting stock was down 2.5% in late morning trading on August 16. Shares are up 17% in 2018 so far. Badger is the largest provider of non-destructive hydrovac excavation in North America. The company released its second-quarter results on August 13.

Adjusted EBITDA climbed 20% year over year to a record $38.5 million, or $1.04 per share. Revenue rose 19% from the prior year to $147.6 million. This also represented a record in the second quarter for the company. Revenue in its U.S. business rose 23% from the prior year. Badger added 36 net new hydrovacs into its operations in the second quarter. The company anticipates that its growth trajectory should remain strong as Canada and the United States continue to invest in increased infrastructure spending.

Badger also announced a cash dividend of $0.045 for the month of August, representing a 1.7% dividend yield.

Great Canadian Gaming (TSX:GC)

Great Canadian Gaming was down 3.5% in late morning trading on August 16. Shares are still up 40% in 2018 so far. The company has benefited from optimism surrounding its landmark GTA bundle deal, which will net big revenues down the line. Great Canadian Gaming began including revenues from the bundle in the first quarter. In its most recent second-quarter results, the company saw revenues surge 90% year over year to $305.3 million, and net earnings soared 134% to $64 million. Investors should look for entry points going forward, as this company will be a revenue machine to own for the future.

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2. TSX:KXS (Kinaxis Inc.)

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Date
2025/08/26
Date Created

2018/08/16
Author
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