



Invest in the Future With This Growth Stock That Has Soared 170% in 3 Years

Description

To find a successful growth stock that isn't already trading at obscene levels, you have to look for companies with a lot of value today that also have great growth opportunities. That doesn't mean it has to be a tech stock; in fact, some of the best opportunities are in [greener energy](#) and transportation. As economies become more concerned with pollution and their impact on the environment, we will see much more demand for greener products and services in the years to come.

One area that has my attention is public transportation. It's a crucial part of every big city and unlikely to see a big change anytime soon, which makes investing in it very appealing. Specifically, I'm a big fan of **New Flyer Industries** ([TSX:NFI](#)), which not only manufactures buses, but is also involved in developing environmentally friendly ones that will be in big demand in years to come.

We're already starting to see some progress, as last week the cities of Laval and Montreal ordered 40 battery-powered buses from New Flyer, the largest order in Canada thus far. The company has made headway in other cities as well, and if the buses prove to be effective and efficient, it won't take long for others to take notice. It's proof that the demand is real and it's growing.

Clearly there's a lot of opportunity here and New Flyer is still in the very early stages of its growth in this segment. However, the company has still been able to achieve strong sales growth over the years, as sales of US\$2.4 billion were double what the company generated back in 2013.

Current value makes New Flyer an even better buy

Year to date, New Flyer stock is down around 4%, but in three years its share price has increased by 170%. Unlike high-flying marijuana stocks that have been soaring, there's just not nearly the same excitement about battery-powered buses, but that's a good thing, as it makes the stock a better buy. Currently, New Flyer trades at only 13 times its earnings and a little more than three times its book value.

Those are great multiples for investors to secure a good price for a high-growth stock. As New Flyer progresses and commands more market share in the industry, it'll be harder to keep the stock price down and it's likely these multiples will start to rise over time.

Bottom line

New Flyer is an [excellent long-term buy](#) and the company's simplicity makes the business model a very effective one. The more complex the business and its operations, the more difficult it will be to assess its growth and potential. That's not the case with New Flyer, and there are many good reasons to buy the stock today.

It will also pay you a modest dividend of 2.9% per year, and its payout was recently increased as well. Whether you're a dividend, growth, or value-oriented investor, this stock offers something for everyone.

CATEGORY

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Author

djagielski

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