Need to Turn a Small Investment Into Big Riches? Here Are 3 Top Growth Stocks With the Upside You Need

Description

Hello, Fools. I'm back to draw attention to three attractive growth stocks. Why? Because companies with rapidly growing revenue and earnings

- have far more appreciation potential than the average stock; and
- can help you outperform during bad times as investors flock to truly special growth stories.

As legendary investor Warren Buffett once said, "Put together a portfolio of companies whose aggregate earnings march upward over the years, and so also will the portfolio's market value."

Let's get to it.

Shoot for the stars

Leading off our list is **Stars Group** (TSX:TSGI)(NASDAQ:TSG), which has grown its revenue at a whopping rate of 1,740% over the past five years. Shares of the internet gaming technologist are down 48% over the past six months versus a loss of 17% for the **S&P/TSX Capped Consumer Discretionary Index**.

The stock has been clobbered on concerns over its acquisitions-driven debt load, but now's the time to pounce. In the most recent quarter, adjusted EBITDA increased 27% as revenue spiked 74%. Moreover, Stars's net debt — debt minus cash on hand — actually continues to fall steadily.

"As we continue our transformation and look towards 2019, we are excited to take advantage of the opportunities ahead of us," said CEO Rafi Ashkenazi.

Currently, the stock sports an attractive forward P/E of 11.

Bet your bottom dollar

Next up, we have **Dollarama** (TSX:DOL), which has grown its EPS and revenue at a rate of 182% and 66%, respectively, over the past five years. Despite that, shares of the discount retailer are down a whopping 78% over the past year versus a loss of 13% for the S&P/TSX Capped Consumer Discretionary Index.

2018 was a disastrous year for the stock, but 2019 could provide a big bounce. While margins declined in the most recent quarter, Dollarama still managed to post positive same-store sales growth of 3.1%.

“The strength of our operations and the efficiency of our simple, growth-oriented business model are further demonstrated by our solid performance across our key operating metrics,” said President and CEO Neil Rossy.

At a forward P/E in the high teens, the stock’s risk/reward trade-off seems reasonable.

Healthy choice

Rounding out our list is **Jamieson Wellness** (TSX:JWEL), which has grown its EPS 300% over the past five years. Shares of the health products company are down 16% over the past six months versus a gain of 5% for the **S&P/TSX Capped Consumer Staples Index**.

Worries over slowing growth have weighed on the stock of late, but I’d look to take advantage. While Q3 sales in some specialty brands came in below expectations, the company’s flagship Jamieson brand still managed to grow in the double-digit range.

“[G]iven the strength of our Jamieson brand domestically and our international momentum, we continue to expect to achieve our financial outlook and have narrowed our ranges for revenue, adjusted EBITDA and adjusted earnings per share,” said President and CEO Mark Hornick.

With a decent yield of 1.6%, betting on that optimism makes sense.

The bottom line

There you have it, Fools: three attractive growth stocks for 2019.

They aren’t formal recommendations. Instead, view them as ideas worth further research. Even stocks with breakneck growth can crash hard if you don’t pay attention to valuation, so plenty of due diligence is still required.

Fool on.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:DOL (Dollarama Inc.)
2. TSX:JWEL (Jamieson Wellness Inc.)

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