These Are the 4 Healthiest High-Growth Stocks on the TSX Right Now

Description

Finance, mining, healthcare, and marijuana may seem like fairly disparate industries, so what do they have in common? The short answer is that all four of those industries contain companies expecting high growth over the next one to three years.

Let's take a look at one representative stock trading on the TSX index from each of these key Canadian industries and see which of them would be suitable for capital gains investors or for dividend investors looking for growth in their investments.

Power Corporation of Canada (TSX:POW)

This popular financial stock saw negative one-year past earnings of -17.6%, though overall its five-year average past earnings has been positive, with growth of 5.6%. It should be noted here that earnings for the Canadian insurance industry were generally negative by 5.5% over the last 12 months. By contrast, Power Corporation of Canada is looking at an expected 29% annual growth in earnings.

Its debt level is slightly over the significant threshold at 44.6% of net worth, though in terms of valuation, it's one of the best financial stocks on the TSX index, with a P/E of 9.5 and perfect P/B of 0.9; meanwhile, it pays a sizable dividend yield of 5.91%. All told, this is one of the best growth stocks for a passive-income investor right now.

Savaria (TSX:SIS)

Savaria's one-year past earnings growth of 44.9% beats its five-year average of 31.5%, making for a great healthcare stock with a solid track record. While its debt level of 49.6% of net worth could be lower, a trailing dividend yield of 2.88% pairs well with a 34.4% expected annual growth in earnings. It's not the best-valued stock at the moment though, with a P/E of 29.3 and P/B of 3.3. That said, it has some strong defensive qualities.

Atalaya Mining (TSX:AYM)

Growth investors who want to go for gold should check out this nicely valued miner with a P/E of 11.5 and P/B of 1.4. A 26.4% expected annual growth in earnings and lack of debt makes for a relatively low-risk investment, with an expected three-year future ROE of 25.2% on the way. If it's intrinsic value you want, Atalaya Mining's share price has a +50% discount off its future cash flow value.

Aphria (TSX:APH)(NYSE:APHA)

Aphria had one heck of a year, with a whopping one-year past earnings growth of 251.7% amply smashing Canadian pharma and trouncing its own five-year average of 89.5%. Debt is low at 3.1% of net worth, and considerable volumes of shares have changed hands through inside buying over the last six months. It's not badly valued for a cannabis stock, with a P/E of 23.5 and P/B of 1.3, while a 53.6% expected annual growth in earnings gives growth investors something to think about.

The bottom line

Take a long enough look through the stocks trading on the TSX index and you will start to see patterns emerging across the various sectors; one of the most interesting for investors is growth outlook in terms of earnings. Dividend investors should stick to the healthcare and finance picks above, while capital gains investors could go for any of the four.

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2. TSX:SIS (Savaria Corporation)

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Date
2025/08/26
Date Created
2019/01/25
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