TFSA Investors: Forget Lyft (NASDAQ:LYFT). Invest in This Top Growth Stock Instead

Description

Are you looking for a home run: a growth stock that takes your TFSA portfolio to the next level?

Often, with stocks, all the buzz centres on the "next big thing." This, in turn, fuels a fear-of-missing-out sentiment that motivates investors to chase these names and effectively ignore the less-talked-about stocks.

This is what we are seeing with the "next-big-thing" stock **Lyft's** (NASDAQ:LYFT) initial public offering (IPO), which took place last week at $72.

But so far, Lyft stock is trading 12% lower than its IPO price, as investors are now worried about the company's $1 billion in losses and its sky-high valuation.

In this article, I would like to talk about a little-discussed stock that never seems to get investors excited. Yet this stock is up 34% year to date, 58% in the last year, 86% in the last three years, and 951% in the last 10 years.

Exciting, isn't it?

I present to you **Badger Daylighting** (TSX:BAD), a stock that has clearly outperformed by all measures, and a company that has a clear growth trajectory ahead of it.

The market for non-destructive excavation is healthy, and clients are choosing the digging solution like Badger's that doesn't disturb the infrastructure, as this is clearly more desirable.

The macro-economic environment in Canada and the U.S. still looks supportive of ongoing construction projects.

In the energy sector, oil prices keep rising, and recent good news out of the LNG industry is just the latest news that points to a strengthening spending environment for Badger.

Long-term strength

Badger has enjoyed a 15.5% 10-year compound annual revenue growth rate, EBITDA margins of between 25% and 30%, and continues to benefit from a solid balance sheet, thus giving it the flexibility to continue to grow organically and via acquisitions.

It is a stable revenue and cash flow generator that has an increasingly larger amount of its business coming from predictable sectors such as the utility sector.

The energy sector actually accounts for approximately 40% of revenue, and the company is actively growing its business from other industries, so we can expect this number to continue to decrease going forward.

Management still has a goal of doubling the U.S. business over the next three to five years, as they continue to see opportunities for more uses for the hydrovac as well as geographic expansion.

Trading at approximately 19 times this year’s expected earnings, this stock has rarely been cheaper.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NASDAQ:LYFT (Lyft, Inc.)
2. TSX:BDGI (Badger Infrastructure Solutions Ltd.)

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Date Created
2019/04/11
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