



## Double Your Money With This Top Pick

### Description

Many investors are out looking to make a quick buck. One question you often come across is *How can I double my money?* Well, if it were that easy, we'd all be flush with cash. There are however, some growth stocks that have shown no signs of slowing down.

One such stock is **Boyd Group Income Fund** (TSX:BYD.UN). The trust, through its operating company the Boyd Group, operates collision repair centers. That's it, a simple business model. In this case, simple has led to phenomenal returns.

In three short years, investors would have doubled their money. Since 2016, the company's share price has shot up 116%. And it's not slowing down. Since the start of the year, the company's stock price has jumped 51.59% on the back of strong earnings.

### First-quarter results

Last week, the company released strong first-quarter results. Earnings of \$1.47 per share beat by \$0.24 and revenue of \$557.9 million beat by \$15.93 million, which sent the company's share price to new highs.

Sales jumped 23% and included strong same store sales of 6.6% on an adjusted basis. Adjusted EBITDA jumped by 28.2% and margins improved by 40 basis points. Adjusted net earnings per unit increased by 28 per cent. The only negatives to come out of earnings, was management's cautious tone for the second quarter. It is seeing seasonal demand softening in certain markets. Outside of that, this is a company that continues to execute.

### Expected growth

Can investors expect another double over the next three years? It wouldn't surprise me. For starters, Boyd Group is still a small enough company with a market cap just north of \$3 billion. Second, the company operates in a highly fragmented industry. As such, it's ripe for consolidation.

As a leading consolidator, acquisitions have been the driving force behind Boyd's impressive growth. As of the end of the first quarter, the company had \$300 million in available capital. Management intends to put that dry powder to work through further acquisitions and new locations.

If you combine acquisitions with its impressive same store sales growth, you can expect strong earnings growth. Analysts agree. As of writing, 11 of 13 analysts rate the company a *buy* while the two outliers rank it as a *hold*. On average, analysts expect 18% earnings growth over the next few years. This is in line with the company's average of 19.2% earnings growth over the past five years.

Assuming the company continues to execute, another double is likely. Management has proven to be excellent at deriving synergies from acquisitions and has an impeccable record.

## Foolish takeaway

There are no easy ways to double your money. Most come with a significant amount of risk. There are however, some solid companies with a strong and storied history of execution. Boyd Group Income Fund is one such company.

It operates in an industry that is ripe for consolidation and Boyd is aggressively pursuing acquisition opportunities. It's a model that has served them well in the past. It's also a model that could result in another double over the next few years.

### CATEGORY

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