



## 3 Hyper Growth Stocks to Buy Now

### Description

Growth stocks are the easiest way to double or triple your money. Be careful, however: there's potentially massive downside risk if you don't invest carefully.

The best way to succeed is to pick companies with reliable, well-incentivized management teams with a history of success.

Just as important, you want to make sure that you're not paying too much of a premium, as the returns of any investment is ultimately a function of what you have to pay.

So, which stocks are experiencing hyper growth, have elite management teams, and aren't trading at a ridiculous valuation? We've narrowed the entire investing universe down to your best options.

### Trust this team

**Constellation Software Inc.** ([TSX:CSU](#)) has an odd management team, but [stick with me](#) on this.

When a stock price hits the triple digits, executives often opt for a stock split to bring the per share price down to earth. Instead, Constellation has taken the Warren Buffett approach by letting its price soar without splits. The stock is now above \$1,200 per share at writing.

Executives also opt to hold quarterly conference calls to field questions from investors and analysts. Yet again, Constellation has bucked the trend, cancelling all public meetings in order to prevent competitors from gaining insight into its thinking.

Founded in 1995 by venture capitalist Mark Leonard, Constellation has taken an unorthodox approach, but long-term shareholders likely don't mind. If you had invested \$10,000 in 2009, your nest egg would now be worth \$680,000.

Because Constellation focuses on automating customers' mission critical tasks, demand for its services should only increase over the next decade and beyond. The valuation looks expensive, but it's

worth it.

## Buy boring

**Badger Daylighting Ltd** (TSX:BAD) is boring. It provides hydrovac, hydro-excavation, potholing, and vacuum truck services throughout Canada and the U.S.

What's not boring is its growth.

In less than 12 months, the stock price has nearly doubled. Revenue last quarter jumped 22% year-over-year. Meanwhile, gross margins improved from 25.5% to 29%

What's going on?

Badger is riding two secular growth trends. Infrastructure spending in North America is on the rise, and the use of non-destructive excavation tools like its hydro-excavation services has become increasingly popular.

With the largest scale in the industry, Badger has everything necessary to take full advantage of this market growth. Management aims to increase EBITDA by 15% annually. Trading at less than 23 times forward earnings at writing, this stock is a steal.

## Take a gamble

With 28 casinos located throughout Canada, **Great Canadian Gaming Corp** (TSX:GC) has made a killing off legalized gambling.

Fool contributor Matt Smith [thinks](#) the stock is "a great growth story that just happens to be trading at a bargain price." It's hard to disagree.

Despite a game-changing acquisition that caused revenues to grow by nearly 80% year-over-year, the stock trades at less than 17 times forward earnings, a *discount* to the market.

The company is using its ample cash flow to buy back discounted shares. In the fourth quarter of 2018, Great Canadian spent \$40 million to repurchase shares using an outstanding credit line. By the first quarter of 2019, it had fully repaid the loan.

Expect management to continue repurchasing shares for as long as the discount remains. That should create plenty of value for patient shareholders.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

1. TSX:BDGI (Badger Infrastructure Solutions Ltd.)
2. TSX:CSU (Constellation Software Inc.)

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### **Date**

2025/08/24

### **Date Created**

2019/06/30

### **Author**

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