

2 Top Growth Stocks to Consider Buying in September

Description

Growth investing has been one of the most successful strategies the last few years, and there continues to be a number of opportunities available to investors. It's important to identify strong companies that are growing in a healthy manner and not sacrificing future health for today's growth.

It is also important to find companies that have prosperous long-term economics and that have proven to be able to find new ways of growth throughout their past.

The company could be growing because its industry is growing, or it could be increasing its market share within its sector.

The best companies will be able to grow consistently, so getting in as early as possible is key to earn the highest possible return.

Two companies that have great management and a number of <u>growth prospects</u> are **Surge Energy** (<u>TSX:SGY</u>) and **Andrew Peller** (<u>TSX:ADW.A</u>).

Surge Energy

Surge is an energy company in Western Canada that has been growing its production aggressively recently. Through acquisitions and organic growth, it's increased its production by more than 75% the last three years.

Despite the poor pricing environment the Canadian oil markets have seen, Surge has been ramping up production.

It's been able to do this because it's still profitable at these prices and because it's less affected by differentials due to most of its oil being medium and light.

In addition, its sound financial management allowed it to make opportune acquisitions at the bottom of the market.

Its goals are aligned with shareholders, and it's a company that strives to return as much capital to investors as possible, while still keeping the business healthy.

It pays a dividend, which yields more than 8% at the moment and is sustainable at average WTI prices above \$55.

When the oil markets inevitably improve both globally but also in Canada, Surge is set to be one of the top performers on the TSX, as the stability of its operations and its ability to generate large netbacks make it an ideal stock to hold for growth.

Andrew Peller

Andrew Peller is one of the largest domestic wine companies in Canada. It owns a number of vineyards and brands across the country and has really grown the whole business by managing itself so well.

The diversification and vertical integration of the company by adding a number of retail stores to its business has boosted the company's potential by increasing its sales and its margins and diversifying the revenue.

It has also proven to make key acquisitions at opportune times of companies that have great synergies with it and that it can tie into its operations right away.

Furthermore, Andrew Peller has shown itself to be innovative, responding to consumer wants by creating popular products such as ciders and sangrias. It's also evident the pricing power the company has, being able to charge a premium for some of its products, while still maintaining popularity among consumers.

The plans for growth include continuing to bring innovative products to market as well as opportune investments in companies that offer strategic synergies.

In addition, it sees organic growth coming from the industry itself, as more younger users switch to wine as their beverage of choice and older users are increasingly turning to premium products.

Bottom line

Growth companies are some of the best stocks to own and growth investing is one of the most profitable strategies investors can utilize.

They key is to find rapidly growing companies in sectors of the market, which will incubate the growth and allow it to return tons of money to investors.

CATEGORY

- 1. Dividend Stocks
- 2. Energy Stocks
- 3. Investing

TICKERS GLOBAL

- 1. TSX:ADW.A (Andrew Peller Limited)
- 2. TSX:SGY (Surge Energy Inc.)

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