3 Top Growth Stocks for 2020

Description

Hi there, Fools. I'm back to draw attention to three attractive growth stocks. Why? Because companies with rapidly growing revenue and earnings:

- have far more appreciation potential than the average stock; and
- can help you outperform during bad times as investors flock to truly special growth stories.

As legendary investor Warren Buffett once said, "*Put together a portfolio of companies whose aggregate earnings march upward over the years, and so also will the portfolio's market value*."

If you're looking to make a big financial splash in 2020, these three stocks are a good place to start.

Dollar days

Leading off our list is **Dollarama** (TSX:DOL), which has grown its earnings per share (EPS) and revenue at a rate of 154% and 65%, respectively, over the past five years. Year to date, shares of the deep discount retailer are up a solid 47%.

2018 was a bad year for the stock, but 2019 continues to be underpinned by strong operating momentum. In the most recent quarter, diluted EPS increased 7% as sales improved 9% to $946 million. More importantly, same-store sales – a key gauge of a retailer's health – grew 4.7%, suggesting that Dollarama's competitive position remains strong.

"*Customers are responding positively to our compelling product offering and various merchandising tactics, as demonstrated by our strong top line performance for a second consecutive quarter*," said CEO Neil Rossy.

Dollarama currently sports a forward price-to-earnings (P/E) of 22.

Healthy opportunity

Next up, we have **Jamieson Wellness** (TSX:JWEL), which has grown its net income a whopping 1,140% over the past three years. Over the past six months, shares of the health products company are up a solid 27%.

Worries over slowing growth weighed heavily on the stock last year, but Jamieson has been picking up speed of late. In the most recent quarter, adjusted income increased 14% as revenue improved 8.6% to $80.6 million.

"*The Jamieson brand normalized after the impact of the prior year price increase with 12% growth in Canada*," said CEO Mark Hornick. "*Our Specialty Brands returned to growth as a result of our ongoing efforts to improve sales force execution while strengthening our customer and consumer relationships*."

With a stable yield of 1.7%, betting on bullishness makes sense.

Easy does it

Rounding out our list is **goeasy** (TSX:GSY), which has delivered revenue and net income growth of 60% and 119%, respectively, over the past three years. Shares of the specialty lender are up a sold 57% so far in 2019.

Goeasy continues to leverage its scale (over $3.3 billion loans originated) and omni-channel business model (online, mobile, and over 400 physical locations) to deliver solid growth for shareholders. In the most recent quarter, net income increased 66% as revenue jumped 20% to $148 million.

"*With a sequential increase in our risk-adjusted yield, the credit quality in the province of Quebec performing close to the portfolio average and secured lending representing 11% of our originations, we are striking the right balance between loan growth, yield and credit risk management*," said CEO Jason Mullins.

Goeasy currently sports a forward P/E of 11.

The bottom line

There you have it, Fools: three attractive growth stocks for 2020.

They aren't formal recommendations. Instead, view them as ideas worth further research. Even stocks with breakneck growth can crash hard if you don't pay attention to valuation, so plenty of due diligence is still required.

Fool on.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:DOL (Dollarama Inc.)
2. TSX:GSY (goeasy Ltd.)
3. TSX:JWEL (Jamieson Wellness Inc.)

PARTNER-FEEDS

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