There's Still Time: 3 Growth Stocks to Buy in 2019

Description

Growth stocks have led the market higher for some time. Over the last five years, the **Russell 1000 Growth Index** has generated a return *three times higher* than the **Russell 1000 Value Index**. Stocks like **Facebook, Inc.**, **Microsoft Corporation**, and **Alphabet Inc** have gone on incredible runs, helping to create the world's first trillion dollar companies.

The best time to invest in high-growth companies like these was many years ago. But don't worry, there's still time. The following three stocks have proven growth histories, yet likely have years (if not decades) of growth ahead of them.

If you want to increase your portfolio's upside in 2020, you should strongly consider picking up these stocks before 2019 comes to a close. Recent pullbacks have made several of these picks outright bargains.

Global aspirations

Canada Goose Holdings Inc (TSX:GOOS)(NYSE:GOOS) used to be a market darling. Over the first couple years of trading, the stock was sometimes priced at more than 100 times earnings.

Today, shares are priced at just 40 times earnings, yet analysts expect it to compound profits at more than 30% annually over the next three years. Why the disconnect?

One of the biggest factors weighing on Canada Goose is the trade war between the U.S. and China. After Canada arrested Chinese national Sabrina Meng Wanzhou in Vancouver at the request of the U.S. government, some Chinese buyers wanted to boycott Canada Goose. According to the *South China Morning Post*, however, the "numbers show it didn't happen."

Some analysts believe that the temporary trade war has created a buying opportunity for long-term investors willing to stay patient. "We believe the pullback in Canada Goose created by the China tariff-war is overdone and creates a buying opportunity," said research firm D.A. Davidson.

When comparing the long-term growth potential against the currently depressed valuation multiple, it's hard to disagree, but don't expect the disconnect to last into 2020.

Business as usual

Boyd Group Income Fund (TSX:BYD.UN) isn't a complicated story. Over the last five years, shares have nearly quadrupled thanks to a consistent strategy that continually produces impressive results. The company is essentially rolling up the collision center market.

Five years ago, the collision centre industry in both the U.S. and Canada was incredibly fragmented. The majority of shops were independently owned and operated.

In many cases, the owners were looking to exit the business or retire, but had few options for doing so. Enter Boyd Group.

For years, the company has been acquiring mom-and-pop collision shops at attractive prices due to limited competition. It then has the financial power to refurbish the shop, raise margins, strip out unnecessary costs, and create free cash flow in as little as 12 months.

While Boyd Group has made dozens of acquisitions, the market largely remains fragmented, providing a long runway for growth. Over the next decade, Boyd Group could quadruple in size yet again and still control just one-fifth of the market.

Industry domination

If you want to learn how to dominate your industry, study **Shopify Inc.** (TSX:SHOP)(NYSE:SHOP). The company completely reinvented e-commerce, bundling mission-critical tools like payment processing and inventory management into a stupidly simple user interface. Today, anyone in the world can launch an e-commerce business in minutes.

Shopify has posted 50% sales growth or more every year since its IPO. The stock has increased in value by 1,000% since 2016. Yet in recent months, a rare 20% pullback has occurred.

Shopify is currently experiencing hyper growth, and these buying opportunities don't last long. In 2020, the company will almost certainly post considerably higher sales and customer growth. Smaller companies may eventually emerge to compete, or even disrupt the company, but Shopify still has many years of heavy growth ahead of it.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NYSE:GOOS (Canada Goose)
2. NYSE:SHOP (Shopify Inc.)

3. TSX:GOOS (Canada Goose)
4. TSX:SHOP (Shopify Inc.)

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

Category

1. Investing
2. Tech Stocks

Date
2025/07/06
Date Created
2019/10/19
Author
rvanzo