TFSA Investors: 3 Growth Stocks Poised to Pop in 2020

Description

Hi, 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 the great 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 give your TFSA portfolio a boost in 2020 (with minimal downside), this is a good place to start.

How convenient

Leading off our list is **Alimentation Couche-Tard** (TSX:ATD.B), which has grown its EPS and revenue at a rate of 141% and 92%, respectively, over the past five years. Over the past year, shares of the convenient store giant are up about 20%.

Couche-Tard's impressive growth continues to be supported by a massive network of stores (over 9,700 locations in North America), strong brands (Couche-Tard, Circle K, ingo), and steady cash flow generation. In the most recent quarter, EPS improved 11.5% on revenue of $11.5 billion.

More importantly, all of the company's regions saw increases in same-store sales.

"We had steady growth in our convenience segment this quarter even as we cycled against an exceptional first quarter last year," said CEO Brian Hannasch.

Couche-Tard currently trades at a forward P/E in the low-20s.

Power play

Next up, we have **Capital Power** (TSX:CPX), which has grown its EPS and revenue at a rate of 71% and 20%, respectively, over the past five years. Shares of the electricity provider have gained about 20% over the past year.

Utility stocks are typically known as stodgy investments, but Capital Power's commitment to innovation, "future-focused" energy, and sustainable sourcing make it a growth-oriented opportunity. In the most recent quarter, net operating cash flow clocked in at $209 million as revenue jumped 31% to $517 million.

"We continue to have a positive outlook for Alberta power prices that is consistent with current forward prices of nearly $60 per MWh for 2020 and 2021," said CEO Brian Vaasjo.

Capital Power currently offers a rather juicy dividend yield of 6.1%

Ritchie riches

Rounding out our list is **Ritchie Bros. Auctioneers** (TSX:RBA)(NYSE:RBA), which has delivered EPS and revenue growth of 71% and 235%, respectively, over the past five years. Shares of the heavy equipment auctioneer are up nearly 20% over the past year.

Ritchie Bros. continues to lean on its extensive customer base (over 530,000 customers around the globe), steady cash flow, and rock-solid balance sheet to deliver stable growth for shareholders. In the most recent quarter, EPS of $0.23 topped estimates as revenue increased 18% to $290 million.

"We are encouraged by improvement in the overall equipment supply, with our sales teams doing a good job of securing volume to help offset some pockets of price deflation in the quarter," said interim co-CEO Karl Werner. "We remain focused on continued execution of our strategy and delivering exceptional service for our customers."

Ritchie Bros. currently sports a dividend yield of 2%.

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.

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