Get Rich by 2025: 3 Hidden Growth Stocks to Hold Over the Next 5 Years

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 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."

So, if you're looking to boost your TFSA over the next five years, this is a good place to start. This trio of stocks is growing rapidly and is relatively unknown to many investors.

Logistical dream

Leading off our list is **Descartes Systems Group**, which has grown its EPS and revenue at a rate of 139% and 118%, respectively, over the past five years. Shares of the software technologist are up 46% over the past year.

Descartes's growth should continue to be supported by a dominant position in the logistics software space, positive secular trends, and smart acquisitions. In the most recent quarter, income jumped 23% as revenue improved 19% to $83 million.

"Descartes continues to deliver predictable results in an increasingly unpredictable business environment," said CEO Edward Ryan. "Our customers need access to timely, reliable data from multiple sources via a network to fuel decision-making tools that power their businesses."

Descartes trades at a forward P/E of 36.

Global reach

Next up, we have **WSP Global**, which has grown its EPS and revenue at a rate of 167% and 202%, respectively, over the past five years. Shares of the professional services specialist have risen 36% over the past year.

WSP's consistent growth over the past several years is underpinned by impressive scale, geographic reach, and hefty cash flows. In the most recent quarter, EPS clocked in at $0.95, as revenue improved 15% to $2.2 billion.

More importantly, WSP has generated trailing 12-month free cash flow of $424 million.

"We are pleased with our Q3 2019 performance, which following a slow start to the year in certain countries, demonstrates the resilience of our business model," said CEO Alexandre L'Heureux.

WSP shares trade at a forward P/E of 25.

Seeing daylight

Rounding out our list is **Badger Daylighting**, which has delivered EPS and revenue growth of 30% and 59%, respectively, over the past five years. Shares of the excavation services specialist are down 27% over the past six months.

A lacklustre Q2 and weak Western oil activity have weighed heavily on the stock in recent months, but now might be a prime opportunity to pounce. In Badger's Q3 results last month, net profit jumped to $26 million, as revenue of $183.7 million topped expectations by $34 million.

"2019 continues to be a year of executing on strategic initiatives, providing the operational and administrative scale to facilitate Badger's ability to continue to grow its business and capture additional market share in a profitable manner," said CEO Paul Vanderberg.

Badger shares trade at a forward P/E of 17.

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
2. Tech Stocks

POST TAG

1. Editor's Choice

PARTNER-FEEDS

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

Category

1. Investing
2. Tech Stocks

Tags

1. Editor's Choice

Date
2025/07/02
Date Created
2019/12/09
Author
bpacampara