



No Savings at 40? Invest in This Growth Stock to Retire Rich

Description

Have you blown the candles on your 40th birthday and are beginning to worry because you have no savings? You might be surprised to learn that having no savings at 40 is a common problem among Canadians. A recent survey conducted by **Sun Life** revealed that almost half of Canadians believe there is a severe risk that they will outlive their money.

If you have no savings and you've hit your middle ages, you should not wave the white flag just yet. There is still plenty of time for you to accumulate a substantial amount of wealth by taking advantage of the right opportunities that the TSX provides. I am going to take a look at **Badger Daylighting** (TSX:BAD). It is one of the [growth stocks](#) that you can consider adding to your investment portfolio, so you can enjoy a decent nest egg for your retirement.

Top growth stock

Badger Daylighting is a massive growth stock that presents you with the opportunity to secure a substantial retirement fund, even if you invest at the age of 40. The company's stock trades for \$34.96 per share on the TSX at writing, up 54.14% from its value five years ago. After correcting by more than 20% of its all-time high of \$48 per share, Badger Daylighting is down to a more attractive price.

The company's stock has a price-to-earnings ratio of roughly 19.07 at writing, compelling statistics for the estimated earnings-per-share growth rate of around 20% over the next couple of years. The 12-month price target by the company shows a 20% growth potential for the stock. The company doubled its business in the U.S. in the past three years and has plenty of room to grow in the Metropolitan Statistical Areas.

The company announced its plans to double its operations in the U.S. in the next three to five years. If the company can reach its EBITDA of 15% per year, investors can look for substantial returns through capital gains from the growth stock.

Profitable business

Badger has a return on equity of 19.47% — a healthy figure that has remained in the 10-31% range in the past decade. The company remained profitable, even during the recession of 2009. Recent results have also been fantastic for the company. Its year-to-date revenue increased by 13% to \$492 million, its adjusted EBITDA rose 8% to \$123 million, and its net profit remained flat at \$1.20 per share.

Foolish takeaway

With a payout ratio of 30.46%, the stock's dividend yield is 1.63%, but it is highly protected due to the low payout ratio. This is the kind of stock that investors can rely more on upon the capital gains rather than the dividends, but its dividends present themselves as the icing on the cake.

Badger has plenty of potential, as it expands into the United States. The growth stock has an [attractive valuation](#) today. I think it could present you with an excellent opportunity to grow your wealth for retirement, even if you start at 40.

CATEGORY

1. Dividend Stocks
2. Investing

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1. Editor's Choice

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