3 Aggressive Stocks to Boost Your Capital Growth in 2020

Description

Growth stocks can be a great way to make money quickly. A lot of investors tend to stay their hands from very fast-growing stocks, because they feel that such a high pace of growth can only result in eventual failure. But those who do risk it often win big.

It's also a good idea to look at the fundamentals of a business. If you think that a fast-growing company is built on sound fundamentals, has a strong balance sheet, and a business model poised for the future, then your investment in growth stocks might not carry as much risk as you thought.

A software and service company

Enghouse Systems (TSX:ENGH) is an enterprise software company, with a market cap of $2.78 billion. The company has an aggressive acquisition policy and is always on the lookout for new markets and fresh businesses to acquire. The company's regular operations are run in three distinct divisions: interactive, network, and transportation.

The company's growth is just as aggressive as its acquisition strategy. It has grown its market value by 148% in the past five years. Just last year, the company's market value increased by about 44.5%. This means that if you buy into the company now, you stand a good chance of doubling your investment in a little over two years. The company is also a very longstanding Dividend Aristocrat, with 12 years of consecutively increasing payouts under its belt.

Easy financial company

goeasy (TSX:GSY) has a unique business model of lending money for small loans — as little as $500. It might not seem a very profitable endeavour, since the returns of penny loans are too small to consider. But the cumulative effect of these small loans appears to be working for the company, because goeasy grew its market value by about 76% last year and over 300% in the past five years.

This explosive growth has seen just one significant fall in the past five years; otherwise, the increase in market value has been like clockwork. The company also gives out dividends to its investors, which has increased for the past five consecutive years. The current yield is a modest 1.7%.

A VOIP tech company

Tech company **Sangoma** (TSXV:STC) is a relatively small company with a market cap of $158 million. The company deals in the niche market of voice over IP communication. It has an impressive portfolio and an extensive global reach of over 150 countries. The company provides both the hardware and software for the communication service.

Despite being a penny stock, with the current market valuation at $2.34 per share, the company has seen enormous growth. The market value has grown by about 212% in the past three years and about 89% just last year. If you invest in it now, you might have all your money back, and then some, before you enter 2023.

Foolish takeaway

If you understand the value of a business, the growth pace and associated risk shouldn't scare you away from a stock that might make you a lot of money in a short time. A good business, even if its growth slows down shortly, might take much less time to get back on track than a mediocre business would.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. TSX:ENGH (Enghouse Systems Ltd.)
2. TSX:GSY (goeasy Ltd.)
3. TSX:STC (Sangoma Technologies Corporation)

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