



3 Top Growth Stocks to Pounce On This Market Crash

Description

Hello, 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 take advantage of the current market slump, this list is a good place to start.

Going global

Leading off our list is **WSP Global** ([TSX:WSP](#)), which has grown its EPS and revenue at a rate of 167% and 135%, respectively, over the past five years. Shares of the professional services specialist have risen about 25% over the past year.

WSP's impressive growth is supported by wide geographic reach, exposure to a diverse range of infrastructure projects, and robust cash flows. In 2019, for example, the company's free cash flow clocked in at an impressive \$441.6 million as revenue increased 12.7% to \$8.9 billion.

More importantly, management doled out \$158 million in dividends during the year, representing a comforting cash payout of 51%.

"With our differentiated capabilities we have built across geographies and the disciplined management of our business, we are well-positioned to continue driving sustainable, profitable growth and delivering value for our clients, people and shareholders," said CEO Alexandre L'Heureux.

WSP shares trade at a forward P/E in the high teens.

Daylight savings

Next up, we have **Badger Daylighting** (TSX:BAD), which has delivered operating cash flow and revenue growth of 42% and 58%, respectively, over the past five years. Shares of the excavation services specialist are down about 20% over the past year.

Concerns over the economy and continued softness in Western oil activity have weighed on the stock, but value-oriented Fools might want to take notice. In the company's most recent quarter, EPS increased to \$0.73 as revenue improved 9% to \$184 million.

More importantly, Badger's U.S. business continues to grow, suggesting that the company's long-term trajectory remains attractive.

"Our outlook for the North American hydrovac market remains very positive," said CEO Paul Vanderberg. "We are pleased to report that during the fourth quarter of 2019 Badger will achieve its strategic objective of doubling our U.S. business over a three to five year time frame from a base of fiscal 2016."

Badger shares trade at a forward P/E in the mid-teens.

Trust the system

Rounding out our list is **Descartes Systems Group** (TSX:DSG)(NASDAQ:DSGX), which has delivered EPS and revenue growth of 130% and 107%, respectively, over the past five years. Shares of the software technologist are up about 18% over the past year.

Descartes's investment case continues to be underpinned by positive secular trends, a dominant position in logistics software, and should continue to be supported by a dominant position in the logistics software space, positive secular trends, and sharp acquisitions. In the most recent quarter, profits increased 23% as revenue improved 19% to \$83 million.

More importantly, operating cash flow jumped 43% to \$27.5 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 in the high 60s.

The bottom line

There you have it, Fools: three attractive growth stocks to check out.

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

TICKERS GLOBAL

1. NASDAQ:DSGX (Descartes Systems Group)
2. TSX:BDGI (Badger Infrastructure Solutions Ltd.)
3. TSX:DSG (The Descartes Systems Group Inc)
4. TSX:WSP (WSP Global)

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Date

2025/07/01

Date Created

2020/03/08

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