## 2 Growth Stocks to Buy to Profit From the Market Rally

## Description

After crashing 37% in one month, the **TSX** has soared more than 40% since hitting bottom on March 23. Investors' optimism about the recovery is fueling the market rally. The worst seems to be behind us. In a bull market like the one we're in, growth stocks tend to outperform the whole market.

**Boralex** (TSX:BLX) and **Enghouse Systems** (TSX:ENGH) are two growth stocks that have beaten the market so far this year. They are well positioned to continue delivering high returns. You could become a millionaire faster than you think with growth stocks like these.

# Boralex

Boralex develops, builds, and operates renewable energy facilities in Canada, France, the United Kingdom, and the United States.

For the three-month period ended March 31, revenues generated by energy sales rose to $200 million, up 16% compared with the first quarter of 2019. Net earnings attributable to shareholders were $0.43 per share, up from $0.31 for the first quarter of 2019. Combined EBITDA jumped 10% to $169 million.

The strong growth in first-quarter results is due to a 38% increase in wind power production in France.

Boralex pursues a strategic plan focused on the growth of the European and North American markets. It looks to strengthen its presence in the solar energy sector and participate in the energy storage market, while adopting new business models directly targeting businesses consuming electricity.

In addition, Boralex seeks to maximize synergies, optimize operating costs, and diversify its sources of funding.

The plan comes with specific financial objectives, like discretionary cash flows of $140 million to $150 million in 2023 for an annual compound growth of approximately 20% for the period 2018-2023.

The company also aims to pay an ordinary dividend equivalent to a payout ratio of 40-60% of

discretionary cash flows. The quarterly dividend now amounts to $0.165 for a yield of 2.3%.

For fiscal 2020, Boralex's revenue is expected to grow by 13.2% to $638.5 million and earnings by 205% to $0.45 per share.

Boralex's stock is up 20% since the start of 2020.

# Enghouse Systems

Enghouse Systems provides enterprise software solutions focused on remote work, more specifically network software and visual computing solutions.

The company recorded for its [second-quarter](#) EPS of $0.49, up from $0.30 a year earlier. Revenue grew 58% to $140.9 million. Adjusted EBITDA jumped 81.3% to $49 million. Enghouse maintained its quarterly dividend at $0.135 per share for a yield of 0.8%.

The software company said that to date, the coronavirus pandemic has had an overall positive financial impact on Enghouse, as sales of solutions that support remote working, including work from home, have increased to meet rising demand.

Sales of Vidyo, its video conferencing and telehealth/financial services platform, and its remote computing solutions were particularly strong in the second quarter.

During the quarter, Enghouse completed the integration of Dialogic, which it acquired on December 31, 2019. This acquisition was positive for EBITDA as expected.

Dialogic contributed both to profits and margins due to a large contract for perpetual license recognized during the quarter, which allowed the customer to meet the increased demand resulting from COVID-19.

Demand for Enghouse products should remain high in the future, as many people keep working from home.

For fiscal 2020, Enghouse's revenue is expected to grow by 29.7% to $500 million and earnings by 4% to $1.34 per share.

Enghouse stock has soared more than 35% year to date.

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2. TSX:ENGH (Enghouse Systems Ltd.)

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