Got $2,700 Lying Around? Pounce on These 3 Top Growth Stocks for Massive Upside in September

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.

So if you're a Tax-Free Savings Account (TFSA) investor with $2,700 looking for outsized tax-free gains, this list is a good place to start.

Savvy software selection

Leading off our list is software technologist **Descartes Systems Group** (TSX:DSG), which has grown its EPS and revenue at a rate of 109% and 96%, respectively, over the past five years.

Descartes shares have soared over the past several months, giving momentum investors plenty of reason to pay attention. Over the long run, the company's growth should continue to be supported by a dominant position in the logistics software space, positive secular trends, and prudent acquisitions.

In the most recent quarter, EPS clocked in at $0.13 as revenue improved 7% to $83.7 million.

"We have some customers who are struggling to keep up with demand in their business, while others have seen sharp drops," said CEO Edward Ryan. "Regardless of the market dynamics they face, our Global Logistics Network is proving essential to helping them connect and collaborate to better manage the lifecycle of shipments."

Descartes shares currently trade at a price-to-sales ratio of 19.

Easy does it

Next up, we have alternative lender **goeasy** (TSX:GSY), which has delivered EPS and revenue growth of 214% and 119%, respectively, over the past five years.

Goeasy shares have also been on a tear in recent months, suggesting that the company's pandemic-related troubles are behind it. Specifically, Goeasy's leading position in the Canadian subprime space, impressive scale, and strong secular growth trends should continue to underpin solid results over the long haul.

In the company's most recent quarter, adjusted EPS spiked 50% as its loan portfolio increased 18% to $1.13 billion. Moreover, total liquidity jumped 30% to $260 million.

"As we continued to prioritize the safety and well-being of our team, customers, and communities throughout the pandemic, the second quarter also highlighted the unique strength and resiliency of our business model," said CEO Jason Mullins.

Goeasy shares currently trade at a fairly cheap forward P/E of 9.

Stylish choice

Rounding out our list this week is fashion retailer **Aritzia** (TSX:ATZ), which has grown its EPS and revenue at a rate of 39% and 65%, respectively, over the past five years.

Aritzia's business has been hit particularly has been hit hard amid the pandemic, but now might be an opportune time to jump in. Specifically, Aritzia's strategic mix of products, rapidly growing e-commerce segment, and rock-solid financial position give it a solid base for long-term outperformance.

In the most recent quarter, e-commerce revenue spiked 150% even as total sales declined 43% to $111 million. More importantly, Aritzia's cash balance stood at a still-solid $224 million at the end of the quarter.

"This corresponding eCommerce growth, coupled with prudent inventory and expense management, enabled us to end the quarter in a solid cash position," said Founder and CEO Brian Hill.

Aritzia shares currently trade at a forward P/E of 18.

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. TSX:ATZ (Aritzia Inc.)
2. TSX:DSG (The Descartes Systems Group Inc)
3. TSX:GSY (goeasy Ltd.)

PARTNER-FEEDS

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

Category

1. Investing

Date
2025/08/22
Date Created
2020/08/29
Author
bpacampara