



2 Stocks That Have Exploded in the Past 5 Years

Description

Growth investors often use alpha as an indicator for investment success. Simply put, alpha is a measure of how much an investment is able to outperform a certain benchmark. With that in mind, it makes sense why growth investors often use this indicator. In this article, I will provide two companies that have returned exceptional gains compared to the broader market. In addition, these two companies are both listed as Canadian Dividend Aristocrats, having raised their distributions for over five consecutive years.

The North American leader in automotive repairs

A company I have mentioned previously, **Boyd Group Services** ([TSX:BYD](#)) is one of the largest operators of non-franchised collision repair centres in North America. The company operates under the Boyd Autobody & Glass and Assured Automotive trade names in Canada. In the United States, the company is known as Gerber Collision & Glass. Today, the company operates more than 600 locations within its network.

In 2016, Boyd Group announced its [plans to double](#) in size by 2020. This implied an annual growth rate of 15%. This aggressive growth has mostly been achieved by establishing new locations and increased acquisitions. This is a growth strategy that has been adopted and successfully used by many of Canada's top growth companies.

In the past five years, Boyd Group stock has increased 235.49%. This is an extraordinary outperformance compared to the **S&P/TSX Composite Index**, which has gained 20.48% over the same period. The company currently has a forward dividend yield of 0.27% with a payout ratio of 14.20%. Boyd Group is a bona fide Dividend Aristocrat, having increased its dividend distribution for 13 consecutive years.

I believe the company still has a lot of room to grow in the future. It currently has a market cap of \$4.43 billion, which places it as a mid-cap stock. With a total revenue growth of 17.58% over the past 12 months compared to fiscal year 2018, Boyd Group appears to still be targeting aggressive growth for

the time being.

Optimizing the world's supply chain

Although I have featured this next company a couple times already, it does not seem to be getting as much attention from others within financial media. **Tecsys** ([TSX:TCS](#)) is one of my [favourite growth stocks](#) in Canada. Tecsys provides products and services that allows companies to optimize their supply chain.

One of the largest growth catalysts for the company has been its entry into the healthcare space. Tecsys has established products that provide healthcare providers an option to make the transport and delivery segment of their business more efficient.

Over the past five years, Tecsys stock has increased 205.5%. Again, outperforming against the 20.48% gains from the broader market over the same period. Just like Boyd Group, Tecsys has a low forward dividend yield (0.86%). The company is also a Canadian Dividend Aristocrat, having increased its dividend distribution for the past 12 years.

Tecsys is currently listed at a \$400.69 million market cap, which classifies it as a small-cap stock. From fiscal year 2019 to 2020, Tecsys reported an annual revenue growth of 35.16%. With continued engagement from its passionate leadership team, Tecsys should still have plenty of room to keep growing.

Foolish takeaway

When looking for companies that provide a large alpha, investors usually run to the hot tech stocks. However, there are plenty of opportunities in the less-glamorous industries as well. Boyd Group and Tecsys are two smaller companies that have been executing excellent growth strategies. Over the past five years, both companies have significantly outperformed the broader market.

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TICKERS GLOBAL

- 1. TSX:BYD (Boyd Group Income Fund)
- 2. TSX:TCS (Tecsyst Inc.)

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