



2 Under-the-Radar Growth Stocks to Buy in 2020

Description

Despite the seeming [uncertainty](#) in the last quarter of 2020, the TSX is not without growth stocks. Expect a select few that can outpace industry peers in terms of performance and earnings growth. The companies are [well positioned](#) to deliver massive gains to investors and perhaps become dividend payers in the future.

Trillium Therapeutics (TSX:TRIL)(NASDAQ:TRIL) and **SunOpta** ([TSX:SOY](#)) offer short-term and long-term opportunities for growth stock investors. Both possess good growth prospects but are flying under the radar. Thus far, in 2020, the pair is outperforming the general market by a mile.

Cancer fighter

Biotech firm Trillium Therapeutics is not conducting clinical trials for a coronavirus vaccine but is showing explosive growth. The stock is up by an incredible 1,265% year to date. Had you invested \$5,000 on December 31, 2019, your money would be worth \$68,270.68 today.

This \$1.77 billion clinical-stage immuno-oncology company engages in the development of cancer treatments. The early-stage studies for its lead drug candidates, TTI-621 and TTI-622, have shown promising results. Both programs are in an emerging class of cancer-fighting technologies.

In early September 2020, pharma giant **Pfizer** bought 2.3 million shares (\$25 million) of Trillium shares via a registered direct offering. The company will use the proceeds to fund ongoing and planned clinical trials of the cancer drugs, working capital, and general corporate purposes.

The Mississauga, Canada-based biotech is a potential acquisition target of larger industry players. Although there's no purchase offer, Trillium CEO Jan Skvarka said its options are open.

Improving lives

The consumer staples sector is performing better than the TSX year to date (+8.37% versus -5.06%),

and SunOpta is the constituent that's showing great promise. As of October 2, 2020, investors are winning by 214%. The \$905.65 million company is also from Mississauga, Canada.

SunOpta focuses on plant-based and fruit-based foods, beverages, and organic ingredient sourcing and production. The business is all about improving lives through organic, healthy, and sustainable food solutions. Because of the quality of its products, SunOpta has become a global leader in organic integrity.

In Q2 2020 (quarter ended June 27, 2020), Adjusted EBITDA more than doubled year on year for the third consecutive quarter on account of the 6.1% increase in revenue. Net loss for the quarter is \$1.6 million versus \$11.1 million in the same period last year.

SunOpta operates in eight countries using a vertically integrated business model. Despite the negative impact of COVID-19 on volumes in the food-service channel, management is extremely bullish in the Q4 2020. The company expects a robust sales pipeline and incremental capacity to come online.

According to industry analysts, SunOpta is one of the food stocks with the most momentum. The company is also environment friendly, as its products use less land and water and generate lower amounts of greenhouse gases. The growing consumer trend, particularly the linkage between diet and health, should propel growth.

Massive rewards

The stock performances of Trillium Therapeutics and SunOpta show that growth investing isn't only in a healthy economy. Some businesses can thrive and grow amid the unfavourable economic environment. Investors should include both in their watch lists. The pair can potentially deliver massive rewards in 2020 and beyond.

CATEGORY

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