3 Top Growth Stocks to Buy Before September

Description

Almost every investor has a unique approach to investing, even if many of them follow the same strategies and ideologies. Some investors believe in timing the market, and they only buy when stocks in their watch list trigger specific indicators. Other investors try to stick to a schedule. They might buy a small collection of stocks every few months, regardless of their valuation.

This allows them to add to their portfolio at a consistent pace, and in the long term, things usually even out. If you belong to this group and you want to buy a few growth stocks before September arrives, there are three stocks you should look into.

An engineering service company

Edmonton-based **Stantec** (TSX:STN)(NYSE:STN) has been around for about 67 years. It's essentially a design and delivery firm that offers engineering services and solutions to a wide array of societies, communities, and other industries. It's a community-focused company that offers solutions with the host communities in mind.

The company has an impressive presence. It spans across six continents, has about 350 locations and several major countries, and has a very diverse service portfolio. It has manageable debt and a strong balance sheet. However, the financials are still recovering, and if the next quarter's earnings don't reveal a decent step up in the revenue, the current growth phase, which has propelled the stock 48% in 2021 alone, might stop and stumble.

A tech stock

2021 hasn't been nearly as good for **Absolute Software** (TSX:ABST)(NASDAQ:ABST) stock as it was for Stantec. It's down 7% from where it started and recently took a nose-dive and fell 18.5% in just two weeks. One reason twas that the stock tanked is its last quarter results, in which the company missed the estimates by a significant margin.

Still, the financials of the company are not nearly to tank the stock almost 20%. The revenues are growing at a slow but steady pace for the last 10 quarters, and it seems that the pandemic didn't financially harm the company too much. The stock, however, followed the sector-wide trend of spiking right after the crash (almost 190% growth), and now it's normalizing.

It's still relatively overvalued, and it might be a good idea to let it slide down a bit more before adding it to your portfolio.

An architectural building products company

B.C.-based **Hardwoods Distribution** (TSX:HDI) has the honour of being the largest wholesale distributor of architectural building products in North America. It has four different brands under its banner, an impressive presence, especially in the U.S. (84 locations in total), and over 85,000 customers.

The stock has been on the rise ever since the market crash, and it's not showing signs of cooling off. It has grown over 300% from its rock-bottom valuation during the crash and still is quite fairly valued. The price-to-earnings is at 12.5 and the price-to-book is 2.4 times. One reason for this would be the fact that its revenues are growing at almost the same pace.

It might grow quite a bit before running out of momentum, or before it becomes too overvalued, so you might consider buying it now.

Foolish takeaway

Choosing a growth stock can be a bit more complicated than selecting a dividend stock, especially if you choose short-term returns. Long-term growth stocks are relatively easier to identify, and even if they offer slower growth, the certainty of growth and long-term return potential makes them worth it.

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1. Investing
2. Tech Stocks

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adamothman