



1 Top TSX Growth Stock Flying Under the Radar Right Now

Description

Among the [growth stocks](#) many investors may have looked over, **GDI Integrated Facility Services (TSX:GDI)** is an intriguing pick. Indeed, GDI is one of the five largest outsourced cleaning services providers in North America and the biggest one in Canada. This is a growth stock that has flown under the radar for some time, and it's one I have yet to cover.

However, GDI is notable for a number of reasons. This company's services are utilized by most large managers or owners of big property portfolios. Additionally, GDI's services are also used by large, specialized facilities in Canada. Furthermore, a growing number of U.S. clients also use the company's services.

Here's why I think GDI could be a growth stock investors may be missing out on right now.

Acquisitions bullish for this growth stock

A company with a growth-by-acquisition model, GDI has been able to scale effectively over the years primarily as a result of the company's M&A prowess.

On Sep. 16, GDI announced two deals, continuing its recent stream of acquisitions. The company announced it would be acquiring Fuller Industries LLC and Enginuity LLC. These combined deals provide GDI with accretive annual revenues in the \$60 million range.

Michael Doumet, a Scotia Capital analyst, considers the recent acquisitions of this Quebec-based company as "positive" for two reasons.

First, these acquisitions help diversify GDI south of the border. Both companies are U.S.-based and provide attractive exposure for GDI shareholders to the growth in the U.S. market.

Second, these deals are attractive in that they show the continued appetite for GDI to utilize its liquidity well.

I tend to agree. The U.S. growth strategy employed by GDI has worked fantastically well thus far. All indications are that this growth should continue. A range of previous deals have not only been accretive but appear to have improved the company's overall returns for shareholders. This is a great sign for investors looking for a growth-by-acquisition play with a management team that knows what they're doing.

On the basis of these deals, it's expected EBITDA growth of \$5 million and revenue growth of \$78 million will be seen next year.

Based on the company's current fundamentals, I like this stock. However, the continuation of an attractive growth strategy in the U.S. makes GDI even more attractive to me right now.

Bottom line

GDI's growth-by-acquisition strategy is proven. This is a growth stock that has a rather impressive [five-year chart](#) (GDI stock has nearly tripled over this time frame).

I think GDI's ability to generate a return on invested capital around 16% is astounding. This is a company with some of the best fundamentals in its sector and in the market right now. Accordingly, long-term investors seeking a top growth stock can't go wrong with GDI right now.

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