



## Stantec Incorporated Stock: Excellent Growth Stock to Buy Right Now?

### Description

[Growth stocks](#) might not appear to be an ideal space for you to invest your funds if you are a conservative investor. The current inflationary market has prompted many investors to flee risk and allocate their capital to assets that can provide them with a [hedge](#) in such market environments. However, not all growth stocks are underperforming right now.

Today, I will discuss **Stantec** ([TSX:STN](#)) ([NYSE:STN](#)), a stock that has recently started on an upward trajectory after posting exceptional figures in its latest earnings report. If you are looking to play the contrarian and invest in growth stocks that could deliver decent returns in an otherwise uncertain environment, this stock could be worth a closer look.

### A top-tier global design firm

Stantec is a \$6.14 billion market capitalization international professional services company operating in the design and consulting industry. Founded in 1954, the Edmonton-based company boasts a track record of delivering solid long-term growth. The company's earnings in the last five years have grown at a compounded annual growth rate of 15%.

Its free cash flows have increased considerably in the last half-decade, as the company's strong capital management practices delivered exceptional results. The last quarter was another example of how well Stantec is doing.

The company delivered earnings per share increase of 22% in the quarter, along with an 18% growth in its revenue. Its backlog also managed to hit record highs, with a \$1 billion backlog added in 2021 alone.

The company's management anticipates a stronger performance in the latter half of 2022, as it brings in more stimulus projects and increases its infrastructure spending.

## Consistent growth

Stantec stock's performance over the years has been characterized by continuous growth. The company has grown over the years organically and through strategic acquisitions. The company operates in a fragmented industry. Growing organically and acquiring more companies are two goals that will allow it to consolidate the industry and cement itself as a strong force in the sector.

The company recently acquired a few businesses of Cardno, including health sciences, ecosystem restoration, water, and infrastructure businesses. The company's goal is to promote more sustainable design solutions and mitigate the impact of climate change. The company's forward-thinking approach, aligning with addressing climate concerns, make it a strong long-term investment.

## Foolish takeaway

Stantec stock trades for \$55.46 per share at writing, and it boasts a 1.30% dividend yield at its current levels. Its share prices are up by almost 80% in the last five years alone, and the company is constantly looking for more growth opportunities. Stantec is a growth-oriented company, and the mining industry is one such sector that is in its crosshairs.

The company's management has identified geographically widespread opportunities in the mining industry. As more companies continue spending capital on new mining projects and expansions, Stantec can benefit from the situation through its consulting services.

Stantec is well equipped to help infrastructure and [energy companies](#) adapt to meet sustainability goals. Operating in over 15 different industry verticals worldwide, Stantec has plenty of business opportunities for years to come. If you are looking for a growth stock that has the potential to deliver returns in the current environment and in the future, Stantec stock could be worth adding to your investment portfolio.

### CATEGORY

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