



## This Growth Stock Is up 1,200% in 10 Years: Its Growth Could Accelerate

### Description

Growth stocks struggle during bear markets. If demand declines at the same time that financing gets tighter, many growth stocks struggle to maintain their pace of expansion. However, some sectors of the economy are better positioned. Companies in these sectors that have a track record of steadily compounding investor wealth should be on the top of your list.

Here's a stock that's delivered a 28% compounded annual growth rate (CAGR) over the past 10 years and could see *faster growth* in the years ahead.

### TerraVest Industries

**TerraVest Industries** ([TSX:TVK](#)) is best described as an [energy services](#) conglomerate. The company's various subsidiaries offer products ranging from home heating equipment to propane tanks.

Steadily expanding demand for energy coupled with a robust acquisition strategy has helped the company expand over the years. The Alberta-based company has seen its stock price surge 1,200% from July 2012. Now, some macroeconomic factors could accelerate the company's growth.

### Natural gas shortage

Russia's invasion of Ukraine upended the global energy market. Russia is one of the largest suppliers of crude oil and natural gas, much of which was transported to Europe via Ukraine. Sanctions and the ongoing battle have disrupted this flow, which is why Russia has diverted crude oil to China and India. Europe, meanwhile, must look for alternative sources of energy.

While it's easier to secure crude oil from other parts of the world, natural gas is much more tricky. It requires pipelines for transport. This infrastructure cannot be built overnight. Producers in Canada and the United States have stepped in to fill the gap with liquefied natural gas (LNG) that can be transported via ships.

TerraVest offers several products and services in this critical supply chain. The company's subsidiaries like Fischer Tanks and ProPar offer LNG storage, trucking, distribution, and delivery systems. The company's RJV Gas Field Services subsidiary also helps U.S. and Canadian gas producers process the fuel and refine it.

Put simply, TerraVest plays an important part in helping Europe solve its energy crisis. That means investors can expect an accelerated pace of growth for the foreseeable future. In its most recent quarter, the company's sales and net income were up 114% and 132%, respectively.

## Valuation

Despite its track record and recent growth spurt, TerraVest stock is still undervalued. The stock trades at just 11 times earnings per share.

Meanwhile, the [dividend yield](#) is deceptively low. At the moment, TerraVest offers a \$0.10 per share dividend every quarter. That works out to a yield of just 1.6%. However, the dividend-payout ratio is a mere 15% based on the company's latest quarterly report.

Eventually, I expect the company to either raise dividends or use the excess cash flow to acquire more energy-related service companies. Either way, investors should be in for a windfall soon.

## Bottom line

TerraVest is an underrated energy services business that could see growth accelerate. Keep an eye on it.

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