2 Growth Stocks I’d Buy Before September

Description

Canadian markets have been hit hard by volatility in the final days of August. The **S&P/TSX Composite Index** was down 81 points in early afternoon trading on August 31. However, the **S&P/TSX Capped Health Care Index** was up 3.3% at the time of this writing. Indeed, the healthcare space has rivalled the technology sector in its explosiveness in North America in recent years. Today, I want to focus on two growth stocks that have thrived in the healthcare sector. Let’s dive in.

This exciting growth stock is undervalued in the healthcare space

Andlauer Healthcare (TSX:AND) is the first growth stock in the healthcare sector I’d suggest investors pick up before September. This Toronto-based supply chain management company provides a platform of third-party custom logistics (3PL) and specialized transportation solutions for the healthcare sector in North America. That means investors will get exposure to two promising industries. Shares of this growth stock have dropped 2.5% so far in 2022. Andlauer is still up 12% over the prior year.

Market researcher MarketsAndMarkets released a report on the supply chain management space earlier this year. It projected that the global supply chain management market would grow from US$28.9 billion in 2022 to US$45.2 billion by 2027. That would represent a compound annual growth rate (CAGR) of 9.4% over the forecast period.

This company unveiled its second-quarter fiscal 2022 earnings on August 9. It delivered revenue growth of 58% to $169 million and operating income growth of 60% to $30.2 million. Moreover, total comprehensive income was reported at $27.6 million, or $0.49 per diluted share — up from $13.1 million, or $0.33 per diluted share, in the previous year.

Shares of this growth stock currently possess a favourable price-to-earnings ratio of 22. That puts this stock in favourable value territory compared to its industry peers. It is geared up for big earnings growth in the years ahead.

Don’t sleep on this growth stock that also offers monthly income

Savaria (TSX:SIS) is the second growth stock in the healthcare sector that I’d look to snatch up on the last day of August. The Laval-based company provides accessibility solutions for the elderly and physically challenged people in North America and around the world. This growth stock has plunged 25% so far in 2022.

Grand View Research estimated that the global personal mobility devices market was valued at US$14.9 billion in 2021. The report projects that this market will achieve a CAGR of 6.3% from 2022 through to 2030. The market can achieve this on the back of an aging population and advances in the personal mobility device industry.

The company released its second-quarter fiscal 2022 results on August 10. It delivered revenue growth of 7.5% to $192 million and gross profit jumped 9.5% to $65.6 million. EBITDA (earnings before interest, taxes, depreciation, and amortization) is a measurement that aims to give a more accurate picture of a company’s profitability. Savaria achieved adjusted EBITDA growth of 14% to $31.5 million in the second quarter of fiscal 2022.

This growth stock is trading in attractive value territory compared to its industry competitors. Better yet, it last paid out a monthly dividend of $0.042 per share. That represents a 3.6% yield.

CATEGORY

1. Investing

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2. TSX:SIS (Savaria Corporation)

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