



3 Growth Stocks I'd Buy if They Took a Dip

Description

Not all growth-oriented companies tanked from the market selloff this year. **ARC Resources** ([TSX:ARX](#)), **TFI International** ([TSX:TFII](#)), and **Maxar Technologies** ([TSX:MAXR](#)) endured the massive headwinds and made it to the 2022 TSX30 List. I'd buy one or all if the prices drop anytime soon.

Energy

ARC Resources has dropped nearly 5% in the last 10 trading days, although at \$17.80 per share, it's still up 57.98% year to date. [Energy stocks](#) might experience turbulence because of the tight oil market and uncertainty over production quotas from OPEC+ members.

This TSX30 winner (rank 27) is a good buy, given the rising profits and free funds flow, even if the price declines. In the nine months that ended September 30, 2022, net income soared by a mind-blowing 1,338% to \$1.56 billion from a year ago. Free funds flow rose 86% year over year to \$1.67 billion.

The \$11.35 billion energy company is Canada's third-largest natural gas producer, the largest pure-play Montney producer, and a condensate producer. According to management, the goal of ARC Resources is to provide shareholders with an attractive total return through profitable investments and sustainable return of capital measures.

Over the past year, ARC returned 72% of free funds flow to shareholders. The board of directors approved a 25% increase in quarterly dividends at the end of the third quarter (Q3) of 2022. They also approved a preliminary capital budget of \$1.8 billion for 2023 and projected it to generate around \$1.7 billion in free funds flow. If you invest today, the dividend yield is 3.37%.

Industrial

TFI International ranked 29th in this year's edition of the flagship program for TSX's top 30 growth stocks. At \$141.74 per share (+0.80% year to date), the total return in 3.01 years is 246.11%. The modest 1.34% dividend should be safe and secure, given the low 13.78% payout ratio.

The \$12.36 billion company is a leader in North America's transportation and logistics industry. Thus far, in 2022, business performance has been steady and solid. After three quarters, total revenue and operating income climbed 25% and 22% year over year to US\$5.74 billion and US\$929.2 million, respectively. In Q3 2022, net cash from operating activities increased 60% to US\$337.8 million versus Q3 2021.

Alain Bédard, TFI's chairman, president, and chief executive officer, takes pride in the company's resiliency in the face of challenging industry-wide conditions. He credits the diversity in the end markets and business lines. Bédard also notes the favourable exposure to large industrial end markets.

Technology

Maxar Technologies (21st) ranked higher than ARC Resources and TFI International in the prestigious TSX30 List. The technology stock made the list due to the strong adjusted return of 227% over three years. However, at the current share price of \$32.63, investors are down 12.61% year to date. It has a 0.17% dividend offer.

The \$2.43 billion space technology company delivers broadband communications and advance space operations. Maxar's capabilities are in Space Infrastructure and Earth Intelligence. It started operations in 1957 and currently caters to governments and innovative businesses.

On Earth, Maxar provides high-resolution imaging satellites. For space, it designs and manufactures satellites and spacecraft components for communications. This space stock can deliver superior returns when its comprehensive space solutions eventually scale.

Buy on the dip

I recommend buying TSX30 winners ARC Resources, TFI International, and Maxar Technologies on the dip.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:ARX (ARC Resources Ltd.)
2. TSX:MAXR (Maxar Technologies)
3. TSX:TFII (TFI International)

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1. Business Insider

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3. Koyfin
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