3 Underappreciated Growth Stocks to Buy in January 2023

Description

Growth investors were laughing all through 2020, as many growth stocks saw returns of 100% or more. However, since 2021, things haven't been quite as peachy for growth investors. In fact, many growth stocks have fallen more than 50%. In some cases, nearly all of the returns generated in since 2020 have been lost. With that said, some investors have decided to avoid growth stocks for the foreseeable future.

In this article, I'll discuss three underappreciated growth stocks that investors should buy before the end of the month.

This is an interesting stock

Although it may not be one of the flashiest companies around, **WSP Global** (TSX:WSP) has been making moves for quite some time now. As of this writing, the stock has generated around 181% in returns over the past five years. For comparison, the TSX has gained just over 26% over that period. So, investors should really consider adding shares of WSP Global to their portfolio this month.

For those that are unfamiliar, WSP provides professional consulting services across several industries. This includes environmental, energy, healthcare, transit, and more. One of the larger companies of its kind, WSP made massive headlines in 2021 when it acquired Enterra Holdings. That's the holding company of Golder Associates, which was one of WSP's largest peers. With tech stocks not looking so hot right now, growth investors will need to start looking elsewhere. WSP could be a diamond waiting to be found.

This stock can give you more than just dividends

Alimentation Couche-Tard (TSX:ATD) is very well known among Canadians for its excellent dividend. The company holds a dividend-growth streak that has spanned over a decade. In addition, Alimentation Couche-Tard maintains a payout ratio of about 12%. That suggests that the company could continue to comfortably raise its dividend for many more years.

However, there’s so much more to this stock than its dividend. Over the past five years, Alimentation Couche-Tard stock has gained more than 271%. That’s about 10 times better than the performance of the TSX over the same period. With more than 14,000 locations across the world, Alimentation Couche-Tard could be able to maintain its massive footprint in the convenience store market for many years.

Consider this outstanding stock

Finally, investors should consider adding **goeasy** (TSX:GSY) to their portfolios. Like Alimentation Couche-Tard, this company is very well known for its dividend history. The company has grown its dividend at a compound annual growth rate of more than 30% over the past eight years.

However, again like Alimentation Couche-Tard, investors would be doing themselves a disservice if they didn’t consider goeasy for its growth. In the third quarter of 2022, goeasy reported $262 million in revenue. That represents a year-over-year increase of about 19%. Since the start of the COVID-19 pandemic, goeasy’s business has seen massive growth and it seems like the company is continuing on that path. I think this stock could be worth a lot more over the next decade, if this trend in its revenue continues.

CATEGORY

1. Investing

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1. TSX:ATD (Alimentation Couche-Tard Inc.)
2. TSX:GSY (goeasy Ltd.)
3. TSX:WSP (WSP Global)

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