



Turbocharge Your Portfolio With These High-Growth Stocks

Description

Do you need to add a little sizzle to your underperforming portfolio? I suggest that you consider buying some high-growth stocks. Allow me to introduce you to two candidates that have been lighting up the TSX in recent years: **Boralex** ([TSX:BLX](#)) and **Kinaxis** ([TSX:KXS](#)).

Boralex Inc.

- Three-year stock price change: +66%
- Year-to-date stock price change: -15%
- Market cap: \$1.5 billion
- 2017 revenue: \$419 million
- Five-year revenue compound annual growth rate (CAGR): +19.5%
- Year-over-year revenue increase for most recent quarter: 4.3%

Boralex develops, constructs, and operates renewable energy power facilities. The company generates a total 1,619 MW of power; 86% is generated from wind, 10% from hydro, 3% from thermal, and about 1% from solar. Boralex generates 46% of power in Canada, 49% in France, and 5% is generated in the United States.

Boralex's rapid growth has been due to aggressive project development and acquisitions. Boralex has recently closed its acquisition of the French wind power company Kallista Energy Investment and has entered an agreement to acquire **Invenergy Renewables's** interest in five Quebec wind farms. These acquisitions will quickly increase the company's generating capacity by 25%.

The company should continue its rapid growth in the years to come. Boralex currently has 14 projects in either the construction or ready-to-build stage that will add 244 MW of power by 2020. Another 10 projects are in the proposal/development stages, which will add an estimated 905 MW of capacity going forward.

The recent pullback in Boralex's stock price represents a great buying opportunity. As an added bonus, the company recently increased its dividend by a total of 10% this year. The current dividend yield of 3.2% is unusually high for a growth stock.

Kinaxis Inc

- Three-year stock price change: +155%
- Year-to-date stock price change: 24%
- Market cap: \$2.5 billion
- 2017 revenue: US\$133 million
- Five-year revenue CAGR: +16.9%
- Year-over-year revenue increase for most recent quarter: 18.6%

Kinaxis is a software company that offers cloud-based solutions for supply chain and sales and operations planning. The company is best known for its RapidResponse platform, which is currently one of the fastest-growing supply chain management systems.

Kinaxis's growth has coincided with increased globalization and outsourcing, which has significantly increased the complexity of supply chains. Kinaxis targets customers across diverse industries, including automotive, electronics manufacturing, pharmaceuticals, technology, defence, and consumer packaged goods.

The company derives almost 80% of its revenue from subscriptions, which has grown at an impressive CAGR of 25% for the last three full financial years. Kinaxis has had excellent revenue retention, which reflects its success in keeping and expanding relationships with existing customers.

In addition to its success in maintaining its existing customer base, the company has utilized its direct sales force and indirect sales channels to rapidly expand its customer base. Impressively, 65% of the company's growth over the last few years has been from new customers.

Going forward, Kinaxis will continue to focus on increasing revenue through expansion of its customer base. Almost 90% of Kinaxis's revenue is derived from North American-based customers, which means that it has a huge international expansion opportunity.

The company is forging and expanding alliances with some of the world's leading consultancy firms, such as **Accenture**, **Bain & Company** and **Deloitte**, that should help it expand its global reach.

Bottom line

The renewable energy market is [picking up steam](#), particularly in Europe. Boralex is poised to take advantage and should continue its impressive growth for years to come.

Kinaxis has been one of [Canada's tech darlings](#) for the last few years. It has a strong client base, a successful subscription revenue model, and a proven sales team.

Both of these growth stocks would be good additions to your portfolio.

CATEGORY

1. Energy Stocks
2. Investing
3. Tech Stocks

TICKERS GLOBAL

1. TSX:BLX (Boralex Inc.)
2. TSX:KXS (Kinaxis Inc.)

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