3 growth shares flying under the radar

By Christopher Georges - March 11, 2016

Considering there are more than 2,000 companies listed on the ASX at any given time, it is clearly impossible for investors to be across every single company.

How many times have you heard about a stock that has skyrocketed in value that you never even knew existed?

This happened to me just yesterday when a fellow writer pointed out the massive share price gain of **Resapp Health Ltd** (ASX: RAP). The shares have gained a whopping 1,158% over the past year alone!

Investors can't really be blamed for not being across every stock as most brokers, fund managers and media outlet tends to focus on the largest stocks by market capitalisation – it's just the nature of the market.

This lack of mainstream coverage, however, can actually work in the favour of investors who are willing to research companies independently and get in before the rest of the crowd does.

While these aren't penny stocks, here are three shares that don't receive as much attention as their larger peers, but should still warrant your attention:

1. **Servcorp Limited** (ASX: SRV) – Despite boasting a market capitalisation of more than $680 million, Servcorp still remains

a relatively under-followed company. It operates in a niche market and provides pretty much everything a company could need to operate a corporate office space including receptionists, furniture and maintenance. Servcorp is a global company and currently operates 147 floors in 52 cities in 21 countries. The company has delivered five consecutive years of revenue and profit growth and just increased its first half FY16 earnings per share by 17% over the previous corresponding period. Servcorp also re-affirmed its full year FY16 profit guidance for net profit before tax of at least $48 million – a 16.5% increase from FY15. Investors should note share price moves can be volatile at times, but this can also provide attractive buying opportunities.

2. **MNF Group Ltd** (ASX: MNF) MNF (previously known as My Net Fone) is a telecommunications company that specialises in voice of internet protocol (VoiP) services. The global VoiP market is growing rapidly and although there are some major competitors in the space, MNF remains well placed to grow its market share. The company has already demonstrated massive growth over the past five years and this is likely to continue with the company on the look out for new acquisitions that it can add to bolster its network. The shares trade on a price-to-earnings ratio of around 25, which this isn’t overly demanding considering the long term potential of MNF.
3. **Emerchants Ltd** (ASX: EML) – Emerchants provides prepaid debt card programs for consumers, businesses and even government entities. The company operates in 11 countries and works with VISA, Mastercard, BPAY and Eftpos to deliver

more than 210 programs. Emerchants delivered its first ever profitable result over the first half of FY16 driven by revenue growth of 108%. Although the company only delivered a net profit of $0.6 million, profits are expected to grow strongly in the near term as a number of new partnerships add to profitability. This stock is definitely not without its risks, but investors looking for a more speculative investment could do far worse than consider Emerchants.

http://www.fool.com.au/2016/03/11/3-growth-shares-flying-under-the-radar/