

## Five Fast-Growing Stocks to Buy

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BOSTON (TheStreet) -- If you're looking for stocks poised for big gains, here are five names to consider. We rate them "buy," and expect them to boost profit by 12% or more in the next year.



**#5. HMS Holdings**([HMSY Quote](#)) provides services that aim to help government programs contain costs.

**The numbers:** Third-quarter net income rose 36% to \$8.3 million and earnings per share climbed 30% to 30 cents, hurt by a higher share count. Revenue grew 21% to \$59 million. The company's gross margin increased from 40% to 42%, and its operating margin rose from 22% to 24%. HMS has a stable financial position, with \$70 million of cash and \$13 million of debt.

**The stock:** HMS Holdings has rallied 34% this year, more than major U.S. indices. The stock trades at a price-to-earnings ratio of 42, a premium to the market and health care peers. HMS doesn't pay dividends.

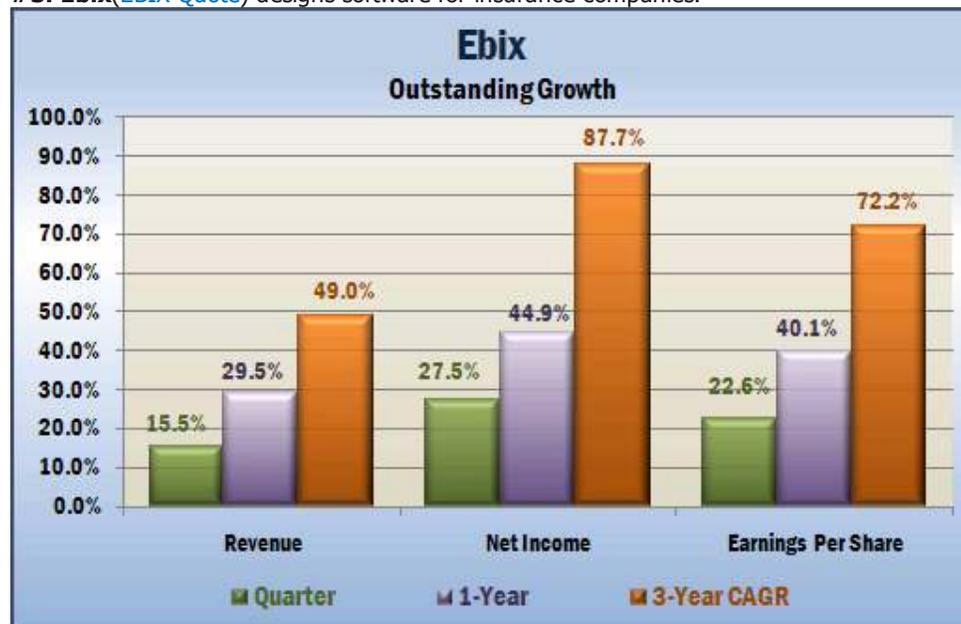
**#4. Neogen**([NEOG Quote](#)) sells food-safety tests.



**The numbers:** Fiscal first-quarter net income increased 18% to \$4.4 million, or 29 cents a share, as revenue grew 12% to \$32 million. Neogen's gross margin rose from 55% to 57%, and its operating margin expanded from 20% to 21%. The company has an ideal financial position, with \$24 million of cash and no debt.

**The stock:** Neogen is up 26% this year, outpacing the **Dow Jones Industrial Average** and **S&P 500 Index**. The stock trades at a price-to-earnings ratio of 33, a premium to the market and health care supply peers. Neogen doesn't pay dividends.

**#3. Ebix**([EBIX Quote](#)) designs software for insurance companies.



**The numbers:** Third-quarter net income increased 28% to \$9.4 million, or 76 cents a share, as revenue grew 16% to \$23 million. Ebix's gross margin rose from 80% to 81%, and its operating margin expanded from 40% to 42%. A quick ratio of 1 demonstrates adequate liquidity. A debt-to-equity ratio of 0.5 reflects conservative leverage.

**The stock:** Ebix shares have more than doubled this year, outperforming major U.S. indices. The stock trades at a price-to-earnings ratio of 19, a discount to the market and software peers. Ebix doesn't pay dividends.

**#2. Medco Health Solutions**([MHS Quote](#)) is a pharmacy benefit manager.



**The numbers:** Third-quarter net income increased 13% to \$336 million, or 69 cents a share, as revenue grew 18% to \$15 billion. Medco's gross margin remained steady at 7%, and its operating margin was unchanged at 4%. A quick ratio of 1 reflects adequate liquidity. A debt-to-equity ratio of 0.7 indicates conservative leverage.

**The stock:** Medco has advanced 42% this year, more than major U.S. indices. The stock trades at a price-to-earnings ratio of 24, a premium to the market and health care service peers. Medco doesn't pay dividends.

**#1. Teva Pharmaceutical Industries**([TEVA Quote](#)) is an Israel-based drugmaker.



**The numbers:** Third-quarter net income inched up 3% to \$649 million, but earnings per share fell 6% to 72 cents. Revenue increased 25% to \$3.6 billion. Teva's gross margin decreased from 57% to 54%, but its operating margin rose from 23% to 24%. A quick ratio of 0.9 indicates less-than-ideal liquidity. A debt-to-equity ratio of 0.3 reflects modest leverage.

**The stock:** Teva has risen 22% this year, beating the Dow and S&P 500. The stock trades at a price-to-earnings ratio of 56, a premium to the market and drugmakers. The shares pay a 0.9% dividend yield.

-- Reported by Jake Lynch in Boston.

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