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*This article is part of a series related to [40 Stocks for the Long Haul](#).*

Investors love mid-cap stocks because they occupy the often lucrative ground between multinational stalwarts and volatile small-cap upstarts. It's here that you'll catch fast-growing companies with newly established track records before they become tomorrow's household names.

The list below includes mid-cap companies with solid histories, room to grow, and (hopefully) the sort of business models that can keep them from stumbling under the worst excesses of the market's current malaise.

They're focused on long-term trends--globalization, healthcare spending, defense, and energy demand--that should keep profits climbing in the years to come.

**Stericycle ([SRCL](#))**. Stericycle cleans up after the hospitals, clinics, and the pharmacy industry, disposing of hazardous or infectious medical waste for doctors, dentists, and drug makers. Its expertise navigating the complex web of public safety rules, paperwork, and other services makes it vital to customers no matter how the rest of the economy is doing. Its sizable, 10 percent chunk of a fragmented \$10 billion market is expected to grow as it expands overseas as it has in the U.K. and South America and through acquisitions (it has made 140 since 1993). Earnings look steady, growing at an 18 percent annual rate over the last five years, and analysts predict similar gains for at least the next two.

**FTI Consulting ([FCN](#))**. Want a company that prospers when times are tough? The mortgage and credit crunch sent troubled corporations scurrying for cover, and that means even faster growth for FTI Consulting. The Baltimore-based firm handles everything from restructuring, to "E-discovery" (that's electronic paper trails) and forensic accounting. Looking ahead, future gains are expected to come from acquisitions (it has made ten so far this year). A recently announced spinoff of its technology business could net an extra \$600 million to \$700 million to pay down debt and fund new buys.

**Waters Corp. ([WAT](#))**. Waters Corp. makes liquid chromatography, mass spectrometers, and thermal analysis tools used in drug development and quality control, analyzing compounds for their chemical or molecular characteristics. Drug makers, its primary customers, may be having a tough year, but the firm is pushing into fast-growth markets like food and beverage and wastewater testing. Plus, Waters boasts a large base of installed equipment with its existing customers, and 40 percent of its revenue is recurring. "It's a pretty good defensible moat," says Bob Millen, comanager of the Jensen portfolio, which owns Waters shares. Against that backstop, emerging market sales to India and China are growing about 30 percent a year.

**ITC Holdings (ITC).** With nearly 15,000 miles of high-voltage lines in Michigan and the Midwest, ITC is the nation's largest independent transmission company. Spun out of DTE Energy in 2003 before going public in 2005, this small Michigan utility is set to grow with America's electricity grid. For evidence, just look at its 31 percent five-year revenue growth and a share price that's up more than 50 percent in two years. Also, ITC's expertise puts it at the center of one of energy's most talked-about niches: wind power. The infrastructure needed to get power from rural windmills to users is still just getting started, and a foothold in America's "wind corridor" could mean ITC has lots of work ahead of it.

**Northeast Utilities (NU).** As New England's largest utility, this Connecticut-based firm is another name profiting from more than three decades of underinvestment in the power grid. (Remember those blackouts?) Its transmission assets in Connecticut, New Hampshire, and Massachusetts are expected to drive earnings, with that part of the business forecast to grow 22 percent annually between 2006 and 2012. "It's a safe, secure return in an uncertain world," says Kevin Shacknoffsky, coportfolio manager of the Alpine Dynamic Dividend Fund, which owns NU shares. A 3 percent dividend coupled with earnings that could grow about 10 percent a year for the next five years as they've averaged for each of the last five make NU among the safer bets in the utility space today.

**Tiffany & Co. (TIF).** The little blue box still brings in the business, and Tiffany's luxury brand remains one of the globe's most respected. A big push into foreign markets is paying off. With half of all sales coming from abroad, diversification means revenue can still grow wherever the rich (and aspiring rich) are willing to splurge. Plus, a quarter of the firm's revenue comes from wedding and engagement rings, a solid customer base as long as you think matrimony is here to stay.

**Flir Systems (FLIR).** When military conflicts flare up, this Oregon-based infrared system maker can tell you exactly the sort of heat they're generating. As the industry's largest player, Flir continues to pull in sizable military contracts (most notably two recent deals with the Navy worth a combined \$75 million, plus orders from the Coast Guard and Colombian military). Investors get good visibility thanks to a \$572 million order backlog as of June 30. Outside of military orders, the firm has fast-growing businesses in everything from systems used on luxury yachts to heat sensors used to detect gas leaks. Its five-year EPS growth rate is a solid 28 percent.

**Teledyne (TDY).** Another defense name, Teledyne, is on a buying spree. The firm makes aircraft surveillance systems, and is among those leading a wave of consolidation in the industry--including this summer's \$26 million buyout of U.K.-based Filtronics and another deal for undisclosed terms to pick up Webb Research, a Massachusetts firm that makes unmanned underwater gliders. The U.S. government made up 41 percent of 2007 sales. Researcher Sageworks notes Teledyne's revenue is up 59 percent over the last two years, and the firm has better profit margins than the industry, low debt to equity, and continues to generate strong cash flow.

**Dick's Sporting Goods (DKS).** Retail is a tough sell for investors right now, but Dick's Sporting Goods is pressing ahead with aggressive growth plans despite shaky consumers. With more than 350 self-titled stores and 80 Golf Galaxy locations, the Pittsburgh-based company is planning on pushing new openings and recently entered the Southern California market with its buyout of 15 Chick's Sporting Goods stores. At the same time, analysts like the company's ability to keep profit margins up thanks to tight inventory controls. After its latest earnings report, Goldman Sachs called Dick's its long-term favorite for unit growth in its sector, and it has five-year annual EPS growth of a healthy 26 percent.

**Jacobs Engineering Group (JEC).** Shares of Jacobs, a sprawling engineering and construction firm with big business (about 40 percent) in the energy sector, are down almost 27 percent this year as oil prices moved off record highs. If you don't think cheaper crude isn't here to stay, Jacob's backlog of work (up 66 percent from a year ago in the latest quarter) make the stock worth a look, especially at its current valuation. Uncertain timing of the sort of mega-projects that are Jacobs specialty mean patient investors who can wait out a few up-and-down quarters will be rewarded as they've been for the last five years of 27 percent average annual earnings growth.