



## 2 Growth Stocks to Buy After Earnings

### Description

The S&P/TSX Composite Index rose 99 points on February 19. It just missed its second straight triple-digit gain during a trading session. The index is up 11.2% in 2019 so far.

Earnings season has arrived for many top firms listed on the TSX, including the big banks in late February and early March. Today, I want to review the post-earnings bump for two stocks. The spike after results should not dissuade investors from adding these stocks to their portfolios. Let's examine why.

### Bombardier ([TSX:BBD.B](#))

Bombardier stock rose 10.4% on February 19. Shares have jumped 38% over the past week. On February 11, I'd [recommended that investors buy Bombardier](#) ahead of its fourth-quarter and full-year earnings release.

Bombardier released its earnings on February 14. Consolidated revenues grew 3% from the prior year across its major segments, reaching \$16.2 billion in 2018. EBIT before special items increased an impressive 42% year over year to more than \$1 billion, which fell on the top end of Bombardier's full-year guidance. Full-year free cash flow generation also came in at the high end of the company's guidance at \$182 million.

For 2019, Bombardier will focus on the ramp-up of its Global 7500 aircraft and the entry into service of the Global 5500 and Global 6500. The latter aircraft are expected to enter service at the end of 2019.

The earnings release gave a much-needed breather to Bombardier. Its stock had taken a beating over the last several months, plunging to 52-week lows in mid-November 2018. Bombardier stock is still well short of the top half of its 52-week range, but shares have spiked quickly. The stock had an RSI of 74 as of close on February 19, indicating that the stock is overbought after its most recent earnings release.

## goeasy ([TSX:GSY](#))

goeasy stock rose 2.9% on February 19. Shares have shot up 28% in 2019 so far. In January I'd [selected goeasy](#) as one of my top growth stocks to trust over the next decade. The company released its fourth-quarter and full-year results for 2018 on February 13.

For the full year, goeasy funded \$923 million in loan originations, which represented a 59% increase from the \$579 million it funded in 2017. The consumer loan portfolio rose 97% year over year, and net income climbed 26% to \$53.1 million. In the fourth quarter, the company achieved record quarterly earnings per share of \$1.02.

The board of directors announced a 38% increase in its annual dividend to \$1.24 per share. goeasy will pay out its dividend quarterly at a \$0.31 clip. This represents a 2.7% yield, which is very solid considering the growth this stock has offered over the past several years.

goeasy stock has now climbed 148% over a three-year span. The company achieved all its revised targets for fiscal 2018, which is a great sign heading into 2019. The quarter also represents a bounce back from a lukewarm Q3 2018. Unfortunately, goeasy stock is also pricey right now. The stock last boasted an RSI of 71, which puts it into overbought territory. This is a stock to hold for the long term, but value investors may want to wait for a pullback before adding it to their portfolio.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. TSX:BBD.B (Bombardier)
2. TSX:GSY (goeasy Ltd.)

### PARTNER-FEEDS

1. Msn
2. Newscred
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4. Yahoo CA

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