



## 2 Canadian Growth Stocks to Buy for 2020

### Description

Now that we're entering the fourth quarter of 2019, it's time to look at stocks to buy and hold for 2020. Investors need to tread carefully, as the markets are already trading close to all-time highs. So rather than buying ETFs or index funds, investors can look to add undervalued stocks to their portfolio.

Here we look at two Canadian stocks that are a good buy at the current price.

### goeasy LTD.

I first identified **goeasy LTD.** ([TSX:GSY](#)) as undervalued [on September 4, 2019](#). The stock has since gained 10.7% and is trading at \$57.65; goeasy stock is trading 90% above it's 52-week low and 3.6% below its 52-week high.

Despite the recent upward spiral, however, goeasy remains a solid pick. The stock is still undervalued and is set to rise higher in the coming months. Analysts expect the company's sales to rise by 20.3% to \$455.8 million in 2019 and by 15.5% to 526.53 million in 2020.

They estimate earnings growth of 57.5% in 2019 and 24.8% in 2020. Comparatively, goeasy stock is trading at a forward price to earnings multiple of 11, which indicates that it's really cheap given growth estimates. Additionally, it offers a dividend yield of 2.5%. The company is valued at \$833 million, or 1.8 times 2019 sales.

The company has been a winner since the start of this millennium, and has managed to increase sales at an annual rate of 12.7% between 2001 and 2018. Comparatively, earnings have grown by 29% annually in the same period. The stock has returned an impressive 6,400% since 2001.

The company continues to meet financial targets and forecasts. It has a diversified revenue base, providing the firm with enough growth opportunities.

Analysts, however, do not seem too optimistic about goeasy. They have a 12-month average target price of \$53.08, which is 8.2% below the stock's current trading price.

## Lightspeed

**Lightspeed POS** ([TSX:LSPD](#)) is another growth stock set to move higher in the coming months. LSPD is currently trading at \$33.4 at writing, 84.5% above its 52-week low. However, the stock has recently lost significant value driven by the sell-off in overvalued stocks.

LSPD stock reached a high of \$49.7 on August 12 this year and has since lost 33% in market value. Lightspeed is valued at \$2.77 billion or 24.5 times fiscal 2020 (ending in March) sales. While LSPD is still trading at a premium, the company has enviable growth metrics.

Sales are estimated to grow from \$57 million in fiscal 2018 to \$244 million in 2022, an annual growth rate of 40.5%. LSPD is slated to grow its bottom line by a significant 94.2% in 2020 and by 47% in 2021.

Although the stock has more than doubled since its IPO, the recent pullback provides an opportunity for investors. LSPD is growing via acquisitions in international markets and now has a customer base of 47,000 across 100 countries.

LSPD remains a solid [long-term pick](#) and should be bought at every major dip. The company should post an adjusted profit by the end of fiscal 2023, making it even more important to buy the stock at its current price.

Analysts have a 12-month average target price of \$37 for LSPD, which is 11% above the stock's current trading price.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

1. TSX:GSY (goeasy Ltd.)
2. TSX:LSPD (Lightspeed Commerce)

### PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

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