TSX Canada: 3 Top Revenue-Growth Stocks for 2020

Description

In Canada, financial stocks are top revenue performers on the Toronto Stock Exchange with solid dividend histories. You can find fintech, insurance, and mortgage stocks returning over 60% annually to shareholders, while the market as a whole grows by only 8%.

It has never been easier to self-manage a retirement portfolio. Market volatility is killing speculative traders looking for the next cannabis short-squeeze, leaving other stocks undervalued.

Long-term investors should take this opportunity to start new positions in their Tax-Free Savings Accounts (TFSAs) and Registered Retirement Savings Plans (RRSPs) with high-quality dividend stocks .

These three overlooked revenue-growth stocks with alpha-level returns are great long-term investments, so you can retire well in the next 20 years.

Revenue growth drives strong price performance

A top 50 fintech stock in Canada, **goeasy**, is quickly growing its revenue and market footprint. Between 2015 and 2018, goeasy increased its revenue by 38% from just under $250 million to $341.41 million.

In November, the company reported even better financials for the first nine months of 2019. Revenue is already up to $444 million for the year, meaning the company should report annual revenue growth of over 30% in December.

Revenue growth is one of the top drivers of price performance, especially for companies with high profit margins like goeasy. goeasy's profit margin is a hefty 19.4%. This company will report fantastic 2019 annual earnings, and smart Canadian shareholders would be remiss if they didn't buy the stock before 2020.

Canada financial stocks outpacing the market

Equitable Group provides Canadian consumers with financial products and services like mortgages, Guaranteed Investment Certificates, and High-Interest Savings Accounts. The company also serves business industries, including commercial real estate.

This stock is an excellent case in point for why long-term investing is the best strategy to earn alpha-level stock market returns. If you had purchased stock in Equitable Group in March 2004 for $23 per share, you would have grown your initial investment to $112 at the current market value.

Had you purchased 100 shares for a total price of $2,300, you would be sitting on a portfolio value of $11,200, or 4.87 times your original cost! In 16 short years, you would be well on your way to a decent retirement.

Fantastic dividend stocks to buy in 2020

The health and life insurance company, **iA Financial**, will likely announce a dividend increase in February 2020. Since 2014, the company has predictably increased its dividends every three quarters.

iA Financial last increased its dividend in May 2019 to the current $0.45 per share and will be due for another boost in February. At the current price of $69.19 at the time of writing, the annual dividend yield is 2.6%.

Stock in iA Financial has outperformed the market this year. In January 2019, shares of the stock traded for around $43.70. Today, the share price is up 58% from the beginning of the year, and the price-to-earnings ratio is still only 11.26!

Foolish takeaway

Canadian savers looking for great stocks to add to their portfolio for the year 2020 should take a look at goeasy, Equitable Group, and iA Financial. These stocks promise shareholders dynamic revenue growth, alpha-level returns, and growing dividends.

It is easier than you think to self-manage a retirement portfolio. With a little research and a long-term mindset, stocks like these will help you grow your TFSA and RRSP.

One of the biggest mistakes Canadians make today with their savings accounts is maintaining their balances in low-yielding cash versus higher-yielding stocks. In this way, many middle-income Canadians are missing out on crucial tax benefits from the Canada Revenue Agency.

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