



## 1 Top Growth Stock That Has Roared in April

### Description

In early March, I had targeted a few top growth stocks that were worth [buying on the dip](#). Little did I realize the market had a few violent convulsions in store for investors. The **TSX Index** has bounced back nicely in the opening weeks of April. Governments around the world have provided unprecedented financial support to individuals and businesses to sustain this dramatic COVID-19 pause.

Today I want to look at one top growth stock that has performed well in the opening weeks of April. Should you look to jump in today? Let's dive in.

### Why goeasy is a top growth stock

**Goeasy** ([TSX:GSY](#)) provides unsecured loans and other alternative financial services to consumers in Canada. Its shares were up 23% week over week as of early afternoon trading on April 14, and investors can expect to see its first quarter 2020 results in early May. It remains to be seen how the COVID-19 lockdown will impact its business, however.

A little over two years ago, I discussed why [high consumer debt](#) in Canada was working in the favour of companies like goeasy. Many consumers, particularly young Canadians, have been forced to find credit options that serve as an alternative to banks. This is where goeasy has been able to carve out a highly profitable niche.

The company released its fourth-quarter and full-year results for 2019 on February 12, with positive indicators across the board. Its loan portfolio surged 33% year over year to \$1.11 billion, with total application volume increasing by 19% at easyfinancial, and its easyhome segment reporting same-store revenue growth of 6.2%. Overall, this represented the 74th consecutive quarter of positive net income.

### Is Goeasy a buy today?

Similar to many of its peers on the **TSX**, it's nearly impossible to predict the full impacts of the COVID-19 shutdown on its business. The company met or exceeded its 2019 performance targets.

In late March, goeasy announced that it would move to a fully remote model. Meanwhile, this will be bolstered by its recent three-year lending partnership with the mobile fintech company **Mogo**. The company has become Mogo's exclusive provider of all non-prime consumer loans — one of the reasons I'd still target it as a top growth stock today.

There's still a lot to like about goeasy stock. Shares are currently trading in the middle of its 52-week range. The stock last possessed a favourable price-to-earnings ratio of 9.6 and a price-to-book value of 1.7.

While this is certainly a scary economic time, the federal government has provided unprecedented financial support to citizens that it hopes will prevent an avalanche of defaults.

Goeasy was added to the **S&P/TSX Canadian Dividend Aristocrats Index** with a 42% annual growth rate in the dividend over the past five years. Currently, it offers a quarterly payout of \$0.45 per share, representing a solid 4.6% yield. The income at goeasy is a nice boon given that its fantastic growth potential going forward.

Investors should still be targeting goeasy as a top growth stock. It offers attractive value, a solid dividend, and nice growth potential.

## CATEGORY

1. Dividend Stocks
2. Investing

## TICKERS GLOBAL

1. TSX:GSY (goeasy Ltd.)

## PARTNER-FEEDS

1. Business Insider
2. Msn
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