



## Bet on These TSX Small-Cap Stocks to Generate Above-Average Growth

### Description

Small-cap stocks have the potential to generate above-average returns. However, the high growth comes with high risk, as not all small-caps have the potential to survive and become big. Here are four TSX small-cap stocks that have the potential to generate consistent growth and keep the returns flowing.

#### goeasy

**goeasy** ([TSX:GSY](#)) stock is down about 18% year to date, which presents an opportunity to buy this high-growth company. The company offers leasing and lending services to the subprime borrowers and operates in a large and underserved market that provides ample room for growth.

goeasy has performed exceptionally well over the past several years and could continue to do so in the future. For those who don't know, goeasy's revenues have grown at a CAGR of 13.1% since 2001. Moreover, adjusted net income has increased at a [CAGR of 30.1%](#) during the same period. goeasy is a Dividend Aristocrat and has increased its dividends for six consecutive years. goeasy stock's forward yield stands at healthy 3.1%.

Barring near-term hiccups, goeasy remains well positioned to benefit from the growth in its loan portfolio, expansion of its product range, and its foray into newer markets.

#### Park Lawn

Shares of **Park Lawn** ([TSX:PLC](#)) are down about 25% so far this year. The decline in Park Lawn stock is unwarranted, as the company offers funeral and cremation services and remains immune to the economic situations.

The decline in Park Lawn stock presents an excellent buying opportunity for long-term investors. Park Lawn has consistently posted stellar financial results with its sales, EBITDA, and net earnings growing over 60% annually over the last five years. The company's underlying business remains strong, while recent acquisitions are likely to accelerate its growth further.

With the increase in the number of cemeteries, the aging population, and operational efficiency, Park Lawn remains well positioned to generate strong returns for its investors. Also, the company offers a decent forward yield of 2.1%.

## Real Matters

**Real Matters** ([TSX:REAL](#)) stock has significantly [surged in value in one year](#). Meanwhile, the stock is up about 91% year to date. The phenomenal growth in Real Matters stock is backed by the company's robust financial performance, which is benefitting from the increased refinancing activities.

The dramatic rise in refinancing activities indicates that Real Matters's top and bottom lines could continue to grow at a breakneck pace in the future. The company's ability to acquire new clients should support its growth further and drive its stock higher in 2020 and beyond.

## Docebo

**Docebo** ([TSX:DCBO](#)) is a small-cap software company that has been generating robust growth over the last several years. Since 2016, the software company's recurring revenues have increased at a CAGR of about 70%. Meanwhile, its annual contract value has grown about 2.7 times during the same time.

Docebo continues to acquire new clients and has a very high retention rate, which is an encouraging sign. With the sustained demand for its software and services and operational efficiencies, Docebo is inching closer to report a profit.

Improving business fundamentals and strong financials should support the upside in Docebo stock. Shares of Docebo have gained about 120% so far this year, and the rally in its stock could sustain in the foreseeable future.

### CATEGORY

1. Dividend Stocks
2. Investing
3. Tech Stocks

### TICKERS GLOBAL

1. TSX:DCBO (Docebo Inc.)
2. TSX:GSY (goeasy Ltd.)
3. TSX:PLC (Park Lawn Corporation)
4. TSX:REAL (Real Matters Inc.)

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snahata

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