Got $10,000 to Invest? 2 Small Cap Stocks That Could Double

Description

If you're planning to invest $10,000 in stocks, consider buying the shares of these high-growth small-cap companies. These Canadian companies continue to impress with their stellar financial performance and have the potential to double your investment value in the medium to long term.

Let's take a look at two **TSX** small-cap stocks that could continue to outperform the broader markets with their stellar growth over the next decade. Besides, both of these companies offer decent dividends that could continue to increase over time.

goeasy

goeasy (TSX:GSY) has all the ingredients that could continue to push its stock higher in the coming years. The subprime lender has been growing its revenues and earnings at an unprecedented rate. Besides, it boosts investors' wealth through continued increase in its annual dividends.

The company's adjusted net income has increased at a compound annual growth rate (CAGR) of 30% over the past two decades. The exceptional growth in its bottom line reflects solid top-line performance and operating efficiencies. Despite challenges, goeasy's bottom line registered a year over year growth of about 49% in the most recent quarter, thanks to the reduction in credit losses and lower expenses.

Investors should note that goeasy's strategic initiatives like the addition of new secured loan products and the expansion of geographic and sales channels could continue to bolster its growth further. Also, the company serves a large and underserved market which provides ample room for growth.

While large financial institutions are grappling with higher provision amid the disruption from the pandemic, goeasy continues to witness strong credit and payment performance, thanks to the loan protection insurance program and government subsidies. goeasy's allowances for future credit losses also remained flat, which is encouraging.

Apart from offering strong growth, goeasy is likely to boost investors' returns through higher dividends. It has been consistently paying dividends for the past 16 years and has uninterruptedly raised it over the past six years. Currently, goeasy stock offers a decent dividend yield of 2.8%.

Jamieson Wellness

Jamieson Wellness (TSX:JWEL) is another to small-cap stock with the potential to turn your $10,000 investment into $20,000 in the medium to long term. The company continues to benefit from the favourable industry tailwinds. Moreover, expansion into high growth markets like China and the U.S. are likely to accelerate its growth further.

The company has consistently performed well. Its organic sales have grown at a CAGR of over 7% in the past two decades. Further, its organic revenue growth rate has accelerated in the recent past, reflecting higher demand for vitamins, minerals, and supplements (VMS).

The VMS industry is likely to grow at a healthy pace in the coming years, providing a robust platform for Jamieson Wellness to expand its market share in North America. Further, its focus on innovation, geographical expansion, and strong brand affinity is likely to support the uptrend in its stock.

Its stock has more than doubled in the past three years. Moreover, it has surged about 58% year to date. Its upbeat outlook for 2020, strong competitive positioning and industry tailwinds suggest that the uptrend in its stock is likely to sustain.

Also, Jamieson Wellness has increased its dividends for the past four years and offers an annual dividend yield of 1.1%.

CATEGORY

1. Bank Stocks
2. Dividend Stocks

TICKERS GLOBAL

1. TSX:GSY (goeasy Ltd.)
2. TSX:JWEL (Jamieson Wellness Inc.)

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