Goeasy (TSX:GSY) Continues to Break Records

Description

Goeasy (TSX:GSY) has been one of the best performers on the **TSX** since the March market crash. The stock had already began its recovery when I first covered it on The Motley Fool. However, the company continues to break records in its quarterly earnings reports. In this article, I will look at what goeasy has done this year, and where it could go in future.

What does this company do?

Goeasy is an alternative financial company, which operates in Canada. The company has two business segments: easyfinancial, which offers high-interest loans to subprime clients, and easyhome, which sells furniture and other durable goods on a rent-to-own basis. The company claims to approve more clients than any other lending company in Canada.

Goeasy was forward-thinking during the COVID-19 shutdowns

When the COVID-19 shutdowns were imposed, businesses needed to adapt or else lose its customers. Goeasy management was very quick to act and enacted its first changes in mid-March. One of the company's biggest decisions were to halt in-person meetings and direct leasing and lending customers towards goeasy's digital and virtual channels.

In late March, goeasy also moved to a doorstep delivery model, allowing allowed its furniture business to continue. Through this model, the company would notify customers when a delivery would be made and arrange to leave products directly inside the front entry way.

In May, goeasy started re-opening physical locations. In-person visits were required to be made by appointment. Regarding its easyhome business, the company enforced a five customer limit in its stores at any time.

The company continued to build off a record year in Q3

Goeasy reported very strong earnings in the first and second quarters this year. In its Q3 earnings report, goeasy continued to build off the success it has seen previously. Goeasy reported a quarterly revenue of $162 million, up 4% year over year. The company noted that revenue was affected by lower commissions which were imposed in relation to higher levels of loan protection.

Overall, the company posted its 42nd consecutive quarter of same store sales growth (3.1%) and its 77th consecutive quarter of positive net income. Goeasy has also continued to solidify itself as a Canadian Dividend Aristocrat with its sixth consecutive year of dividend increases. This is also its 16th consecutive year of dividend payments.

It seems that goeasy has been able to continue to post strong results amid the tough economic situation that businesses have had to endure this year. The company's easyfinancial and easyhome segments posted loan portfolio increases of 40% and 34%, respectively. This indicates a continued demand from consumers for the company's services.

Foolish takeaway

Goeasy is a bit of a polarizing company for Canadians. However, investors cannot deny the performance and stability the company provides as an investment. As of this writing, goeasy stock is up 12% year to date, and nearly 240% from its lowest point during the March crash. As long as the company's management team continues to make the right moves, consumer demand should remain strong moving forward.

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