The 2 Best TSX Stocks I'd Buy With $100 for 2021

Description

It has been one of the most volatile years that I have ever seen. However, as the year comes to an end, it's time to look forward to 2021 and find high-quality investment opportunities in the stock market. As the COVID-19 vaccine is most likely to be distributed in 2021, economic activities could return to the pre-pandemic levels and give a significant boost to the corporate earnings and, in turn, their stock prices.

We'll focus on two top TSX stocks that should be on your radar to outperform the broader markets. Notably, you need just $100 to buy these high-growth stocks.

goeasy

goeasy (TSX:GSY) is one of the top stocks that I have been recommending for a while. It has surged over 371% from its March lows. Meanwhile, the vaccine distribution in 2021 could lead to a significant recovery in economic activities and significantly boost the shares of this subprime lender.

goeasy's fundamentals remain strong. Its same-store sales have consistently increased for the past 42 quarters. Meanwhile, the company has reported positive net income in the last 77 consecutive quarters. Despite the challenges from the pandemic, goeasy's EPS jumped 52% in the first three quarters of 2020. Its EPS has increased at a CAGR of approximately 30% in the last two decades.

With the economic reopening, goeasy could witness an increase in consumer demand. Meanwhile, its loan origination volumes are likely to improve. Further, its focus on cost reduction, strong payment volumes, and channel expansion is likely to cushion its margins.

goeasy stock also offers solid dividends. The Dividend Aristocrat has been increasing dividends for the past six years. Meanwhile, its quarterly dividend of $0.45 per share translates into a decent yield of 1.8%.

Given its strong fundamentals, expected improvement in consumer demand, and robust earnings growth, investors could expect the company to continue to boost its dividend payments in the coming years.

Docebo

Docebo (TSX:DCBO)(NASDAQ:DCBO) has dwarfed most of its peers in terms of returns in 2020. Its stock is up approximately 281% year to date, thanks to the robust demand for its corporate e-learning platform amid the pandemic.

Notably, shares of **Lightspeed** and **Shopify** have increased by 106% and 191%, respectively, this year.

While the pandemic drove demand for Docebo's cloud-based learnings platform, I believe the momentum could sustain in 2021 and beyond, thanks to the growing emphasis on corporate learning.

Docebo's customer base is growing fast. Meanwhile, its average contract value is increasing at a healthy pace suggesting strong growth in its top line and annual recurring revenues. Docebo is slowly heading toward being profitable and reported positive EBITDA in Q3, which should act as a strong growth catalyst in the coming years.

The company's large addressable market, expansion of products, up-selling opportunities, and accretive acquisitions should continue to support the bull run in Docebo stock.

Final thoughts

Shares of both these companies have recovered sharply and have generated exceptional returns in 2020. With strong fundamentals and expected improvement in demand, both goeasy and Docebo stock is likely to outperform the broader markets in 2021 by a wide margin.

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TICKERS GLOBAL

1. NASDAQ:DCBO (Docebo Inc.)
2. TSX:DCBO (Docebo Inc.)
3. TSX:GSY (goeasy Ltd.)

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