



The 3 Best TSX Small-Cap Stocks to Buy With \$300

Description

The **TSX**-listed small-cap stocks are expected to gain big from economic reopening and revival of demand. So, if you've got \$300 to invest, consider buying these three small-cap Canadian stocks that could deliver strong returns in the long term.

goeasy

Shares of the sub-prime lending and leasing services provider **goeasy** ([TSX:GSY](#)) could continue to outperform the broader markets by a wide margin, reflecting the economic expansion and recovery in consumer demand.

Notably, the reopening of the economy has driven the consumer demand higher, and I expect the trend to sustain, providing a strong foundation for growth. goeasy has delivered exceptional sales and earnings growth over the past several years. Its revenues have increased at a CAGR (compound annual growth rate) of 12.8% since 2001. Meanwhile, earnings have improved at a faster pace.

I expect to see strong momentum in goeasy's top line, reflecting increased demand and growth in its loan portfolio. Also, new products and geographical expansion in Canada are likely to accelerate its growth rate further. Notably, a large addressable market, increased penetration of risk-adjusted products, and strong payments volumes augur well for future growth. The company is also expected to bolster its shareholders' returns through higher dividend payments, thanks to its high-growth earnings base. goeasy pays a quarterly dividend of \$0.66 a share, reflecting an annual yield of 2.2%.

Goodfood Market

Goodfood Market ([TSX:FOOD](#)) stock has consistently outshined the benchmark index in the past several years. The leading online grocery company is benefitting from strong secular industry tailwinds, and I expect the demand to continue to grow at a healthy pace, even in the post-pandemic world.

Goodfood is witnessing increased market adoption, reflected through the continued growth in its active subscriber base. Its active subscriber base stood at 319,000 in Q2, reflecting an increase of 30% year over year.

Besides the favourable industry trend, Goodfood is expected to benefit from the increasing product selection and fast delivery. The company's strong last-mile delivery capabilities and same-day delivery services are gaining traction, driving its customer base and enhancing the basket size and order frequency. Further, marketing services, cross-selling, and expanded visibility of its products are likely to boost its revenues and profitability.

WELL Health

WELL Health Technologies ([TSX:WELL](#)) is among the fastest growing small-cap companies that I believe could deliver stellar growth in the long term. Its strong appetite for acquisitions is likely to continue to bolster its growth and drive its stock higher in the long run.

The company recently delivered record quarterly revenues and gross profit, reflecting stellar growth in its software and services revenue. WELL Health's FY20 revenues jumped 53%, with software and services revenues increasing by 393%.

I believe its growing scale, rising demand for omnichannel healthcare services, and global expansion of the EMR (electronic medical records) business are likely to support its revenues and profits in the future. Meanwhile, its strong acquisition pipeline and expansion in the U.S. bodes well for future growth and are likely to drive its [stock higher](#).

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2. TSX:GSY (goeasy Ltd.)
3. TSX:WELL (WELL Health Technologies Corp.)

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Date

2025/08/22

Date Created

2021/03/23

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