



Forget Bitcoin: This TSX Stock Is up 325% Since April 2020

Description

Cryptocurrency investors have made money hand over fist in the last year. The price of one Bitcoin has increased by 700% since April 2020. It means a \$5,000 investment in the most popular digital currency 12 months back would have been worth close to \$40,000 today.

This increase in price was driven by widespread adoption by [institutional investors](#), including **Tesla** and **Microstrategy**, among others.

However, investors should understand that investing in the crypto space carries significant risks. It is a highly volatile asset class, and Bitcoin has lost close to 90% in market cap several times in the past decade. The lack of regulation and associated risks make Bitcoin a high-risk investment.

In fact, several Bitcoin ETFs have warned investors to invest only as much capital as they can afford to lose. While investing in this highly disruptive space is exciting, investors can also look to buy and hold quality growth stocks such as **goeasy** ([TSX:GSY](#)) that have increased wealth at an exponential rate.

goeasy stock is up 325% in the last year

Shares of goeasy have returned 325% since April 2020 and are up 1,340% in the last 10 years. This company provides non-prime leasing and lending services through its easyhome and easyfinancial businesses. It has a varied suite of financial products that include unsecured and secured installment loans. goeasy has served over a million Canadian customers and originated \$5 billion in loans to date.

goeasy is one of the top stocks to invest in right now. The company has forecast Canada's non-prime consumer lending market at \$196 billion, giving it enough opportunities to drive top-line growth at a stellar pace in 2021 and beyond. It has now reported 78 consecutive quarters of positive earnings per share. In fact, in the last 20 years, goeasy has increased earnings at an annual rate of 25%.

goeasy continues to benefit from high operating leverage. In Q4 of 2020, its revenue was up 4.6% year over year at \$173 million. Comparatively, its operating income was up 31.8% and earnings soared by an impressive 54.5% year over year in the December quarter.

Valuation and more

GSY stock is valued at a market cap of \$1.9 billion. Analysts expect the company to increase sales by 14.4% to \$747 million in 2021 and by 13.5% to \$847 million in 2022. Comparatively, earnings growth is forecast at 19% in 2021 and 15.3% in 2022.

We can see the stock's forward price-to-sales multiple of 2.24 and a price-to-earnings multiple of 14.2, which is really cheap, despite its market-beating returns in the last two decades. The company is now a Dividend Aristocrat, which means it has increased dividends for five consecutive years.

It pays a dividend of \$2.64 per share, indicating a forward yield of 2.1%. Its payout ratio is lesser than 40%, giving goeasy enough room to increase dividends going forward. Analysts tracking GSY stock have a 12-month average target price of \$147, which is 15% higher than its current trading price.

goeasy's robust growth metrics, attractive valuation, and expanding addressable market make it [a top stock to buy](#) right now.

CATEGORY

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