



Got \$1,000? Buy These 4 Canadian Stocks to Earn Superior Returns This Year

Description

Despite the pullback in the last two days, the Canadian benchmark index, the **S&P/TSX Composite Index**, has returned over 10% this year. Amid the gradual reopening of the economies worldwide and economic expansion, the index could rise further. So, here are four top Canadian stocks that you could buy to earn superior returns this year.

goeasy

Yesterday, **goeasy** ([TSX:GSY](#)) reported an impressive [first-quarter performance](#), with its revenue and adjusted EPS growing by 1.8% and 66%, respectively. Its loan originations increased by 13% to \$272 million during the quarter while expanding its loan portfolio to \$1.28 billion. The expansion of the loan portfolio drove the company's revenue.

Further, improved operating leverage and lower credit losses led the company's operating margins to improve from 26.4% to 37.6%. The top-line growth and expansion in the operating margin drove its net profits. goeasy also earned unrealized gains of \$87.3 million from its investment in Affirm Holdings.

Apart from its solid first-quarter performance, the company completed the acquisition of LendCare on April 30. The acquisition could boost the company's expansion in the consumer credit market. Along with this acquisition, the improvement in economic activities could increase the demand for goeasy's services, driving its financials in the coming quarters. So, [I expect the uptrend in goeasy to continue](#).

Savaria

Savaria ([TSX:SIS](#)), which produces and markets accessibility solutions, reported a solid first-quarter performance yesterday. Its revenue and adjusted EBITDA grew by 26.8% and 39.9%, respectively. The acquisition of Handicare drove the company's top line. However, the decline in organic sales amid the pandemic-infused slowdown and unfavourable foreign exchange offset some growth.

Its adjusted EBITDA expanded due to accretive acquisition of Handicare, employment-retention

subsidies from the Canadian government, and its cost-cutting initiatives. Given the aging population, the need for Savaria's products could rise in the coming years. Handicare's acquisition could improve its product innovation and efficient production, and significantly expand its distribution network outside North America. So, I expect Savaria to deliver superior returns this year.

Suncor Energy

Amid the recovery in oil prices and improvement in its quarterly performance, **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)) is up close to 30% higher for this year. Despite the rise, the company still trades 35% lower than its January 2020 levels, providing an excellent buying opportunity.

The expansion of the vaccination program could prompt governments worldwide to lift restrictions gradually, improving economic activities. Higher economic activities could boost oil demand and drive its prices higher. Given its long-life, low-decline asset base and integrated business model, Suncor Energy is well positioned to benefit from higher oil prices. Further, the company's management expects its production and refinery utilization rate to improve this year while its production cost could fall.

Higher realization price and improvement in its operating metrics could boost Suncor Energy's financials and stock price. The company also pays quarterly dividends of \$0.21 per share, representing a forward dividend yield of 3%.

Lightspeed POS

Amid the recent sell-off in Canadian tech stocks, **Lightspeed POS** ([TSX:LSPD](#))([NYSE:LSPD](#)) has lost over 30% of its stock value compared to its February highs. The concerns over its high valuation and expectation of normalization of growth have dragged its stock price down. However, the sell-off offers an excellent buying opportunity. The adoption of the omnichannel business model by SMBs (small and medium businesses) has created a multi-year growth potential for the company.

Further, Lightspeed POS's recent acquisitions have expanded its customer base, strengthened its market share in specific markets, and accelerated its revenue growth. Meanwhile, the company has strengthened its financial position by raising US\$676.2 million in February. So, the company is well funded to make future acquisitions and support its growth initiatives.

CATEGORY

1. Bank Stocks
2. Energy Stocks
3. Investing
4. Tech Stocks

TICKERS GLOBAL

1. NYSE:LSPD (Lightspeed Commerce)
2. NYSE:SU (Suncor Energy Inc.)
3. TSX:GSY (goeasy Ltd.)
4. TSX:LSPD (Lightspeed Commerce)

5. TSX:SIS (Savaria Corporation)
6. TSX:SU (Suncor Energy Inc.)

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