



## Got \$500? 2 High-Growth Stocks to Buy and Hold Forever

### Description

A high-[growth stock](#) gives your portfolio a chance to outperform the market. But what *is* a high-growth stock? It is a company that is recognized as a player in the industry but is not on the top players' list. It is also a company that shows 40-50% revenue or profit growth. If you buy the stock during this phase, there is a high chance you can double your money in two to three years. You should invest in such stocks through your Tax-Free Saving Account (TFSA) as it will free your capital appreciation from taxes.

### Investing in high-growth stocks

The pandemic brought high growth to many omnichannel platforms that served the brick and mortar stores and helped them move online seamlessly. I have identified two such stocks that have already surged 500% from their March 2020 dip: **goeasy** ([TSX:GSY](#)) and **Lightspeed POS** ([TSX:LSPD](#))([NYSE:LSPD](#)).

These stocks have surged to such heights that investors should consider if they are a buy at these price levels. Let's dive in below.

### goeasy stock

goeasy has been offering leasing and lending services to the non-prime population for 30 years. This non-prime population has high credit risk and needs creative lending solutions. Rather than lending a high amount, goeasy gives small credit but at a high-interest rate. This credit can be in the form of unsecured personal loans, buy-now-pay-later installments, or leasing merchandise like home furniture. The easy availability of credit enables people to shop more and brings more revenue for merchants.

E-commerce has made shopping more convenient. It's therefore important for lending also to be convenient. With the omnichannel platform, goeasy makes it possible to tap both online and offline customers.

goeasy reported an average repayment of 35% outstanding loans and a 10% default rate (net charge off rate) in 2020. The problem with traditional banking is the way they generate credit scores. Their methods are stringent and not in sync with the new-age customer. Hence, many people fall through the cracks. goeasy leverages customers' bank transactions to create a flexible credit score and tap the audience that fell through the cracks.

Around 10 million active Canadian consumers are non-prime. Fintech companies have [overtaken banks](#) in the unsecured personal loans market. goeasy is a player in this market with a lot of untapped potentials. The company aims to enhance the credit profile of its customers and grow with them. It has graduated 33% of its consumers to prime in a year. As its consumers grow, it looks to grow with them and offer prime lending solutions in partnership with banks in the future.

## Lightspeed POS stock

Lightspeed POS is an omnichannel platform that provides point-of-sale (POS) solutions and much more to small and medium-sized retailers and restaurants. The company accelerated product development during the pandemic and introduced services like curbside pickup, online booking, online stores, and payments. Lightspeed also accelerated its acquisitions to tap the fragmented market. In a year, it doubled its revenue with the acquisition of ShopKeep and Upserve.

Unlike goeasy, Lightspeed is growing internationally and is tapping new verticals like sports and new products like Supplier network. The company aims to become the [Android of the cloud POS](#) market, offering a global platform to all retailers and restaurants.

Lightspeed targets small- and mid-sized firms that are larger in number than big players. It will grow along with retailers, creating a win-win situation for all. It has the potential to be the next big tech giant.

## The verdict

Both goeasy and Lightspeed target the masses and help them grow. The key to growth is to invest in a small company and see it become big. Both the stocks have growth potential, so buy and hold them. Keep monitoring their progress at regular intervals. As long as they stay on track, they can give strong returns.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

1. NYSE:LSPD (Lightspeed Commerce)
2. TSX:GSY (goeasy Ltd.)

3. TSX:LSPD (Lightspeed Commerce)

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