2 TSX Stocks That Likely Won't Let Investors Down

Description

The list of **TSX** stocks that have outperformed the benchmark index over the past year is long. However, only a few have the potential to not let their investors down over the next decade. Their continued investment in growth, expansion of products and services, strong competitive positioning, and solid fundamentals indicate that the upward trend in those stocks could be sustained for a long time.

In this article, I'll discuss two such TSX stocks that have strong potential for growth and will likely deliver higher returns in the coming years.

goeasy

It would not be wrong to call **goeasy** (TSX:GSY) one of the top wealth-creating stocks listed on the TSX. Shares of this subprime lender have gained nearly 760% in five years. Furthermore, it's boosted investors' returns through increased dividend payments during the same period. While goeasy stock has appreciated quite a lot, its consistent financial performance and solid future growth opportunities indicate that the rally will likely be sustained in the coming years.

The large subprime lending market, goeasy's competitive advantage, focus on new product launches, and geographic and channel expansion provides a solid foundation for future growth. Moreover, its strategic acquisitions, higher penetration of secured loans, and solid payment volumes will likely drive a strong double-digit growth in its revenue and earnings.

Its consumer loan portfolio is growing rapidly and is projected to reach $3 billion by 2023. Meanwhile, the company expects its operating margin to expand over the next couple of years, which will likely cushion its bottom line. Overall, goeasy remains well positioned to gain from the ongoing improvement in economic activities that could fuel higher credit demand. Furthermore, it could continue to return a substantial amount of cash to its investors in the form of dividends.

Shopify

Irrespective of its expensive valuation and normalization in demand, **Shopify** (TSX:SHOP)(NYSE:SHOP) has all the right ingredients that make it a top stock to create wealth in the long run. With the acceleration in the pace of digitization and rapid shift in selling model towards omnichannel platforms, Shopify remains well positioned to capitalize on secular industry trends. Further, in my opinion, Shopify's premium valuation is warranted given its high growth, new product launches, and market share gains.

Its addition to high-growth sales and marketing channels, partnerships with top social and retail companies, expansion of product base, and the strengthening of its fulfillment network indicate that the company could continue to acquire new merchants while retaining the existing ones.

I believe the continued growth in its merchant base, increased adoption of its payment solutions, high-value product launches, and international expansion will continue to drive its financials at an accelerated pace. Furthermore, its operating leverage augur will likely support its profitability and, in turn, its stock.

Bottom line

Barring minor pullbacks, I expect the shares of both these companies to continue to rise and crush the broader markets with their returns. Both goeasy and Shopify are well positioned to capitalize on favourable industry trends and are likely to gain market share in the coming years.

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