



## Got \$1,000? Buy These 3 Top Mid-Cap Stocks

### Description

Mid-cap stocks are ones with their market capitalization falling between \$2-\$10 billion. These companies will have higher growth potential than large-cap stocks and are less riskier compared to small-cap stocks. So, given their positive aspects, here are three top Canadian mid-cap stocks that you can buy right now.

### goeasy

**goeasy** ([TSX:GSY](#)) is one the top-performers over the last two decades, with its revenue and adjusted EPS growing at a compound annual growth rate (CAGR) of 12.8% and 24.9%, respectively. Despite the strong growth, the company has acquired only around 3% of its addressable market, thus offering significant growth potential. Meanwhile, the company is increasing its penetration in key geographic markets, strengthening its omnichannel distribution model, and improving customers' experience to drive growth.

Besides, the acquisition of LendCare has added new business verticles and increased goeasy's geographical presence. Meanwhile, the company could also benefit from credit growth due to improvement in economic activities and economic expansion. Despite its healthy growth prospects, the company trades at an attractive forward price-to-earnings multiple of 17.4. So, I expect [goeasy to deliver superior returns](#) over the next three years. The company has been raising its dividends at a CAGR of over 34% since 2014, which is also encouraging.

### TransAlta Renewable

After delivering solid returns of above 60% over the last three years, **TransAlta Renewables** ([TSX:RNW](#)) has been under pressure this year, with its stock correcting around 12.4%. The delay in the passage of the U.S. infrastructure bill and rising bond yields appear to have weighed on its stock price. Despite the near-term concerns, the company's long-term growth prospects look healthy amid the growing transition toward clean energy.

More governments, businesses, and people are shifting to renewable or clean energy amid the rising pollution levels. This transition could benefit TransAlta Renewables, which operates 24 wind facilities, 13 hydroelectric facilities, eight natural gas generation facilities, and one solar facility. Meanwhile, it sells most of its power through long-term contracts, thus shielding its financials from price and volume fluctuations and delivering predictable cash flows.

Apart from organic growth, TransAlta Renewables also relies on strategic acquisitions to drive growth. It has acquired assets worth \$3.4 billion since its IPO in 2013. Also, it has around [2.9 gigawatts of power-generating facilities](#) under the evaluation stage. It also pays a monthly dividend of \$0.07833 per share, with its forward yield standing at an attractive 4.93%.

## Canopy Growth

My final pick would be **Canopy Growth** ([TSX:WEED](#))(NYSE:CGC). Amid increased legalization and rising usage of cannabis for medical purposes, the cannabis market is growing. Meanwhile, the company is focusing on introducing higher THC-content products to strengthen its position in the Canadian recreational space. Also, its recent acquisition of Ace Valley and Supreme Cannabis has broadened its premium product offerings and strengthened its production capabilities.

In the United States, Canopy Growth has launched several CBD products and owns warrants to acquire Acreage Holdings and Wana Brands once the federal government legalizes cannabis. So, the company is well-equipped to benefit from cannabis legalization. As well, the company has adopted several cost-reduction initiatives, which could deliver \$150-\$200 million of savings by the end of fiscal 2023.

So, its growth prospects look healthy. Meanwhile, Canopy Growth currently trades at over 75% discount from its February highs. So, I believe Canopy Growth would be an excellent buy for investors with a longer investment horizon.

### CATEGORY

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

### TICKERS GLOBAL

1. NASDAQ:CGC (Canopy Growth)
2. TSX:GSY (goeasy Ltd.)
3. TSX:RNW (TransAlta Renewables)
4. TSX:WEED (Canopy Growth)

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