# 3 Growth Stocks That You Can Buy in This Volatile Environment

## Description



Growth stocks will grow their financials higher than the industry average. These companies usually require higher capital investments to fund their growth initiatives. With the Federal Reserve expected to take monetary tightening measures amid rising inflation, investors expect interest rates to increase, thus raising borrowing costs. Higher borrowing costs could hurt the profitability of high-growth stocks. So, these stocks have witnessed healthy corrections over the last few weeks. However, I believe the pullback offers an excellent buying opportunity in the following three companies, given their high-growth potential.

## goeasy

**goeasy** (TSX:GSY), one of the top performers over the last 20 years, has grown its adjusted EPS at a CAGR of 24.9%. This strong performance has led the company's stock price to appreciate above 5,950% at a CAGR of 37.7%, outperforming the broader equity markets. However, amid the selloff in high-growth stocks, the company is trading over 12% lower for this year.

Meanwhile, goeasy's outlook looks healthy. The credit growth due to the economic expansion could drive the demand for the company's services. Besides, the company is working on strengthening its digital channels, expanding its geographical footprint, and adding new segments to drive growth. Given the favourable environment, management expects a 50% growth in its loan portfolio by the end of 2023.

So, given its healthy growth prospects, I believe investors should utilize this correction to accumulate the stock for higher returns. Additionally, the company raised its dividend at a higher rate, which is encouraging.

## Cargojet

Second on my list is a cargo airline company, **Cargojet** (TSX:CJT). Supported by its strong financials, the company has returned over 280% at a CAGR of 30.8% in the last five years. The company has continued its uptrend and is trading 11.3% higher this year. With the growth in e-commerce, I expect the demand for the company's services to rise.

Given its large fleet of 31 aircraft and overnight delivery service to prominent cities across Canada, Cargojet has a substantial advantage over its peers. Amid the rising demand, the company is adding new routes and expanding its fleet. A higher retention rate, long-term agreements, and a minimum volume guarantee could benefit the company. So, considering all these factors, I expect Cargojet to outperform this year. Meanwhile, it also pays a quarterly dividend of $0.26 per share, with its forward yield at 0.6%.

## Waste Connections

My final pick is **Waste Connections** (TSX:WCN)(NYSE:WCN), which is involved in the collection, transfer, and disposal of solid wastes. Supported by both organic growth and acquisitions, the company has delivered strong financials over the last five years, boosting its stock price. It has delivered 160% returns during the period at a CAGR of 21%.

Meanwhile, the economic expansion could increase the demand for the company's services. Also, the company closed acquisitions worth US$240 million in the first three years of 2021, which could contribute revenue of US$100–US$150 million every year. The rising oil demand could increase E&P activities, thus driving its revenue from the segment. Also, the company operates at higher margins, thanks to lower competition, as it operates in secondary or exclusive markets. However, the company has lost close to 10% of its stock value this year. So, given the discounted stock price and healthy growth potential, I am bullish on Waste Connections.



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**TICKERS GLOBAL**

1. NYSE:WCN (Waste Connections)
2. TSX:CJT (Cargojet Inc.)
3. TSX:GSY (goeasy Ltd.)
4. TSX:WCN (Waste Connections)

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