



4 Mid-Cap Canadian Stocks With High-Growth Potential

Description

Mid-cap companies have their market capitalization falling between \$2 and \$10 billion. These companies offer higher growth potential than large-cap stocks, though are less riskier than small-cap stocks. So, investors can enjoy the best of the two worlds. So, if you are looking at investing in mid-cap stocks, my four top picks are here.

goeasy

Over the last 20 years, **goeasy** ([TSX:GSY](#)) has [delivered](#) a solid performance, with its revenue and adjusted EPS growing at a CAGR of 12.4% and 24.9%, respectively. Despite the strong growth, the company has acquired just 1% of the sub-prime lending market. So, it has substantial scope for expansion.

Given the highly fragmented sub-prime market, goeasy is well equipped to increase its market share. It is expanding its product range, venturing into newer markets, increasing its penetration, and adding new business verticals to drive growth. The demand for the company's services is rising amid economic expansion. The sub-prime lender has raised its dividend at a CAGR of over 34% since 2014. High-growth potential, attractive price-to-earnings multiple of 11.4, and a growing dividend makes [goeasy an excellent buy](#).

Lightspeed Commerce

Lightspeed Commerce ([TSX:LSPD](#))([NYSE:LSPD](#)) provides omnichannel solutions to retailers, restaurants, and other businesses. With the growth in online shopping, many enterprises are focusing on increasing their digital presence, driving the demand for the company's products and services. Meanwhile, the company is expanding its payment solution to newer markets and business verticals. The growing customer base, new product launches, and strategic acquisitions augur well with its growth.

Meanwhile, amid the recent selloff in tech stocks, Lightspeed Commerce has lost over 75% of its stock

value compared to its September highs. So, given its long-term growth potential, I believe investors should utilize the steep pullback to accumulate the stock to earn solid returns over the next three years.

TransAlta Renewables

To lower the dependence on Russian oil, the European Union has chartered a 10-point plan, including the acceleration of building new wind and solar projects. So, this shift could accelerate the transition towards clean energy, benefiting companies such as **TransAlta Renewables** ([TSX:RNW](#)). The company has an economic interest in 49 power-producing facilities.

It sells the power through long-term agreements, with its average capacity-weighted contract life standing at over 12 years. Also, the company recently acquired North Carolina Solar portfolio and Windrise wind facility, which increased its power-producing capacity by 328 megawatts. Further, the company has 2.9 gigawatts of facilities under evaluation. So, given the favourable market conditions and its growth initiatives, TransAlta Renewables could be an excellent addition to your portfolio.

Canopy Growth

Despite the softness in the cannabis sector, I have selected **Canopy Growth** ([TSX:WEED](#))([NASDAQ:CGC](#)) as my final pick. The company had reported a significantly improved third-quarter performance last month. Its net losses declined by 86% to \$115.5 million amid lower operating expenses and lapping of impairment and restructuring charges incurred during the previous year's quarter.

Meanwhile, Canopy Growth is launching higher potency premium products, streamlining new product development, and strengthening its distribution system to drive its financials. The company has already established a strong footprint in the United States through its BioSteel and Storz & Bickel brands. It owns warrants to acquire Acreage Holdings and Wana Brands up on cannabis legalization at the federal level. So, the company's growth prospects look healthy. Given its strong liquidity of \$1.4 billion, the company is well equipped to fund its growth initiatives in the coming quarters.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NASDAQ:CGC (Canopy Growth)
2. NYSE:LSPD (Lightspeed Commerce)
3. TSX:GSY (goeasy Ltd.)
4. TSX:LSPD (Lightspeed Commerce)
5. TSX:RNW (TransAlta Renewables)
6. TSX:WEED (Canopy Growth)

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Date

2025/07/22

Date Created

2022/03/24

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