3 Mid-Cap Value Stocks to Buy Right Now

Description

Mid-cap stocks have their market capitalizations falling between $2 billion and $10 billion. These companies are less volatile compared to small-cap stocks while offering higher growth prospects than large-cap stocks. So, if you wish to invest in mid-cap stocks, here are my three top picks that are trading at attractive levels.

Lightspeed Commerce

Over the last few months, **Lightspeed Commerce** (TSX:LSPD)(NYSE:LSPD) has witnessed a significant selloff, with its stock price falling over 76% from its September highs. The expectation of rising borrowing costs amid increased interest rates, expensive valuation, and a short report from Spruce Point Capital has dragged the company's stock price down. Amid the selloff, the company's forward price-to-sales multiple has declined to seven, which is lower than its historical average.

Meanwhile, the company's addressable market is growing with the increased adoption of online shopping. Further, the company is expanding its products to new markets and developing innovative products, which could expand its customer base while increasing its average revenue per customer. It also makes strategic acquisitions, which could also support its growth potential. So, given the favourable market conditions, growth prospects, and attractive valuation, I expect Lightspeed Commerce to outperform over the next two years.

goeasy

Amid the selloff in growth stocks, **goeasy** (TSX:GSY) has lost over 37% of its stock value compared to its September highs. The steep correction has dragged the company's NTM price-to-earnings multiple down to 11.4. Meanwhile, economic activities have increased due to the easing of restrictions, driving loan originations, and rising demand for goeasy's services.

Amid the expanding addressable market, goeasy plans to open 30-40 new easyfinancial locations over the next three years. Along with these initiatives, its expanded product range and new business verticals could drive its financials in the coming quarters. Meanwhile, goeasy's management hopes to increase its loan portfolio by 78% to reach $3.6 billion by 2024. Notably, the company is also raising its dividends at a healthy rate of 34% over the last seven years. So, given its growth prospects, attractive valuation, and growing dividends, I am bullish on goeasy.

TransAlta Renewables

My final pick is **TransAlta Renewables** (TSX:RNW), which has an economic interest in around 50 power-generating facilities with an overall power-generating capacity of three gigawatts. Amid the recent update on the Kent Hills outage, the company is trading at over 18% lower than its 52-week high. Meanwhile, the pullback offers a buying opportunity, given its project pipeline and strategic acquisitions.

In February, the company began the construction of the Northern Goldfields Solar Project, which could become operational in November. Further, the company has over two gigawatts of power-producing facilities under evaluation. Its strategic acquisitions, long-term PPAs (power-purchase agreements), and rising transition towards clean energy bode well for its growth.

TransAlta Renewables has also been rewarding its shareholders by raising its dividend at a CAGR of 3% since 2013. With a monthly dividend of $0.078/share, its forward yield stands at 5.09%. So, given its discounted stock price, attractive dividend yields, and healthy growth prospect, TransAlta Renewables would be an excellent addition to your portfolio.

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2. TSX:GSY (goeasy Ltd.)
3. TSX:LSPD (Lightspeed Commerce)
4. TSX:RNW (TransAlta Renewables)

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