2 Dirt-Cheap Canadian Stocks That Could Double Your Money in 3 Years

Description

Here are two dirt-cheap Canadian stocks you should check out immediately. They could potentially double your money within three years. You could make some serious money, no matter how much you invest! They also reassuringly pay regular dividends that yield higher than interest income.

A dirt-cheap, small-cap stock

Tecsys (TSX:TCS) has grown its revenue by 74% over the last three fiscal years to $123.1 million. This is a high growth rate of 20% per year. In the period, it also increased its gross profit by approximately 74% to $60.6 million. And its operating income jumped 151% to $10.7 million. Its trailing 12-month (TTM) gross profit margin and operating margin are 45% and 4.9%, respectively.

The small-cap stock has a market cap of about $433.8 million after falling about 43% year to date. According to Stephen Takacsy's comments on Tecsys last month on *BNN*, Tecsys is still a great growth stock to own.

> "A core holding of mine since I recommended it in 2019. They sell supply-chain management software solutions which enjoy high demand, mostly to U.S. healthcare, retailers, and auto parts. They have a work backlog. But the stock has fallen along with the tech selloff. Tecsys is trading at a third of its peer's (i.e. Kinaxis) valuation, so it's cheap. A quality growth name with years of growth coming."
> *Stephen Takacsy, president, CEO, and chief investment officer of Lester Asset Management,*

Observing financial data for the business over the long term shows that Tecsys's business is cyclical. It appears it's going through a cyclical low. After this cycle bottoms, Tecsys stock could experience multiple years of growth, as it has in the past. Right now, analysts believe the value stock could appreciate 84% over the next 12 months! Having a holding period of three years (or longer) gives more time for the business to grow. Doubling your money is also in the cards!

goeasy is easily a cheap stock pick

If you're not comfortable with small-cap stocks that are viewed as higher risk, consider mid-cap growth stock **goeasy** (TSX:GSY), which is also dirt cheap. goeasy's three-year revenue growth is 63% — an annual growth rate of almost 18%. In the period, it also increased its gross profit by nearly 70% to $663.9 million. And it boosted its operating income by 92% to $457.4 million. Its TTM gross profit margin and operating margin are 80% and 55%, respectively.

The subprime lender's business is much less cyclical than Tecsys's. Therefore, goeasy's earnings have also been more stable over the last 20 years. In fact, since 2012, goeasy's earnings per share have increased every year. Currently, analysts believe the value stock can appreciate 79% over the next 12 months! If materialized, a big chunk of our goal to double our money would be achieved. The growth stock also offers a decent dividend yield of about 2.9%.

Technically…

Technical investors would tell you to stay away from these dirt-cheap Canadian stocks. If you look at the technical charts of Tecsys and goeasy, they look horrible! Both stocks trade below their 50-day simple moving averages (SMAs), which are below their 200-day SMAs. However, I'm not a short-term trader. I have the patience to hold my stocks for the next three years or longer if I have to. And in a longer time frame, I'm confident these stocks can trade much higher from current levels and reward investors.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:GSY (goeasy Ltd.)
2. TSX:TCS (Tecsys Inc.)

PARTNER-FEEDS

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kayng