2 TSX Growth Stocks That Could Double Your Money

Description

The increased risk from macroeconomic and geopolitical headwinds has led investors to shun growth stocks. This led to a sharp decline in the prices of top TSX stocks. While growth stocks have lost substantial value in 2022, their fundamentals remain intact. It means that fundamentally strong growth stocks could easily double in the medium term, as macro and geopolitical headwinds subside. Here are my top two picks.

goeasy

Shares of this financial services company have fallen quite a lot (about 47% from the 52-week high) on concerns of a slowdown in economic growth. **goeasy** (TSX:GSY) provides lending and leasing services to non-prime Canadians, and a downturn in the economy could impact its growth.

However, goeasy's recent financial performance and medium-term guidance indicate that the company is in great financial shape, which would drive its stock price higher.

goeasy's top line improved by 27% in 2021. However, what stands out is that the company expects double-digit revenue growth through 2024. Meanwhile, it expects to expand its operating margins by 100 basis points per annum during the same period. Sales leverage and solid credit and repayment volumes will likely cushion its bottom line, which has consistently increased at a double-digit rate for more than a decade.

Its wide range of lending products, focus on new product launches, and omnichannel offerings augur well for growth. Meanwhile, steady growth in its loan portfolio, increase in ticket size, and growing mix of secured loans are positives.

goeasy's ability to consistently increase its earnings at a double-digit rate has allowed it to boost its shareholders' returns through dividend hikes. goeasy's dividend has grown at an annualized rate of 34.5% in the last eight years. Meanwhile, the ongoing momentum in its business suggests that goeasy could continue to grow its dividend in the future years.

Overall, goeasy is a perfect stock for investors looking for growth and income. The stock has witnessed a pullback, creating buying opportunities at current levels.

StorageVault Canada

StorageVault Canada (TSX:SVI) is another high-quality stock worth investing in at current levels. It rents self-storage and portable storage space to individual and commercial clients and consistently performs well due to the strong demand.

Its strong management, focus on expanding the rentable space and driving occupancy, and significant barriers to entry support my bullish outlook on StorageVault. Further, the growing population, increased e-commerce penetration, lack of warehouse space, and smaller living and workspaces continue to drive demand and revenues.

Further, its rentals are for a shorter duration (weekly or monthly), allowing it to quickly address demand and manage inflationary pressure.

Its growing scale, expansion of storage space, national presence, last-mile solutions, and entry into other growth verticals, like the information and records management business, could continue to drive its financials. Meanwhile, opportunistic acquisitions will likely accelerate its growth.

Overall, StorageVault is well positioned to capitalize on the demand for storage space and deliver solid returns for its shareholders.

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