



Post Correction: 1 Top Growth Stock to Park Your Idle Cash for Stellar Gains

Description

The current state of the equity market and uncertain economic trajectory isn't supportive of growth stocks. Since high-growth stocks carry higher risk, investors are shying away from investing in them.

While growth stocks may appear unattractive in the short term, I believe now is an opportune time to put some of your idle cash into [top TSX stocks](#) that have corrected significantly but have strong fundamentals and solid long-term growth profiles.

With growth stocks that have corrected quite a lot in the background, here is my one top stock pick that investors could consider buying right now.

goeasy

goeasy ([TSX:GSY](#)) offers leasing and lending services to consumers with non-prime rating. This financial services company has consistently delivered record financial performances for about two decades. For context, goeasy's top and bottom lines have consistently grown at a double-digit rate.

Thanks to its robust financial performance and ability to expand its product base, goeasy stock has outperformed the broader markets by miles and generated solid wealth for its shareholders.

Besides the appreciation in goeasy's stock price, it has boosted its shareholders' return by growing its dividend at a solid double-digit rate. It's worth mentioning that goeasy has been paying dividend for about 18 years. Meanwhile, its dividend has grown at a CAGR of 34.5% in the last eight years.

Despite its solid growth and focus on boosting its shareholders' return, goeasy stock has witnessed a sharp correction. It has dropped by about 53% from its 52-week high and is trading close to the 52-week low.

Now what?

While macro headwinds and fear of a slowdown in the economy have weighed on goeasy stock and led to a correction in its price, goeasy continues to deliver solid financial performance.

During the last reported quarter, goeasy stated that it benefitted from improved demand and increased loan originations across all of its products and distribution channels. This resulted in record loans and organic growth. Furthermore, goeasy credit and payment performance remained steady, which is positive.

Looking ahead, goeasy remains confident about delivering rapid growth in the medium term, which should lift its stock price higher.

Its wide range of existing lending products, focus on launching new products, large subprime lending market, channel expansion, and dominant competitive positioning point to a solid future. goeasy expects to deliver double-digit revenue growth in the coming years due to higher loan volumes and an increase in ticket size.

Furthermore, solid credit performance, repayment volumes, and an increased mix of secured loans will likely cushion its margins. Notably, goeasy expects its operating margins to expand by 100 basis points annually in the next three years, which will cushion its bottom line.

Bottom line

goeasy's solid track record of consistently delivering strong performance, even amid the weak economic environment, and proven business model supports my bullish outlook. Overall, its robust top-line growth projection, margin expansion, and focus on enhancing its shareholders' value through higher dividend payments make it a solid investment at current levels. goeasy stock could witness a steep recovery as the economic pressure eases.

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