Plan to Invest for 3-5 Years? Earn Solid Returns With These Cheap Growth Stocks

Description

With several top TSX stocks losing significant value, choosing which stocks to invest in becomes tough. Moreover, elevated macro concerns could continue to limit the recovery, thus keeping investors away from investing. However, for investors, with three to five years of investment horizon, now is a great time to invest. Investors shouldn't miss this opportunity to accumulate shares of top-quality TSX stocks cheap and benefit from the recovery in their prices. Here are my top picks.

goeasy

There are solid reasons behind recommending the shares of the leasing and lending services provider **goeasy** (TSX:GSY). Its solid track record of multiplying investors' wealth, robust sales and earnings growth, and stellar dividend payments make it a must-have stock in your portfolio.

While the momentum in goeasy's business sustained in 2022, fear of an economic slowdown and its impact on loan originations and credit performance has led to a sharp pullback in goeasy stock. I see this decline as unwarranted, especially given the company's ability to perform well amid all market conditions.

Further, during the recent quarterly conference call, goeasy's top management highlighted that there were no signs of deterioration and degradation in its payment or credit performance. Also, its improving product and credit mix are positives.

goeasy's business remains strong and is expected to benefit from Its wide range of existing lending products. Moreover, its focus on new product launches, robust demand from the large subprime lending market, dominant competitive position in Canada, and channel expansion bode well for growth.

The company could deliver stellar top-line growth on the back of higher volumes. Meanwhile, leverage from higher sales, strong credit performance and improving efficiency will likely cushion its profitability. Moreover, its solid earnings base will lead to a continued hike in its annual dividends.

Currently, goeasy is trading at a significant discount from its highs and is a solid investment for patient investors.

Docebo

As tech stocks lost massive value, investing in top tech stocks at current levels could be a smarter move. Within the tech space, I'd recommend **Docebo** (TSX:DCBO)(NASDAQ:DCBO) due to its ability to consistently deliver stellar growth even amid economic reopening. Further, the recent pullback in its price presents a solid buying opportunity.

Docebo continues to benefit from its growing customer base. Further, an increasing number of high-value customers, multi-year contracts, and a strong customer retention rate are encouraging.

The average contract value for this e-learning platform provider has consistently grown at a healthy pace and is now significantly higher (about four times higher) than 2016 levels. Further, its ability to drive higher revenues from existing customers at a limited incremental cost bodes well for its margins.

Docebo's strategic alliances, opportunistic acquisitions, geographic expansion, and new product offerings will accelerate its growth and expand its addressable market.

All in all, Docebo's growing enterprise customer base, solid recurring revenue model, focus on increasing deal size, cross-selling, and upselling opportunities, and improving productivity will likely lead to a strong recovery in its stock price.

CATEGORY

1. Investing
2. Tech Stocks

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2. TSX:DCBO (Docebo Inc.)
3. TSX:GSY (goeasy Ltd.)

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