1 Remarkable Canadian Growth Stock (With Dividends) to Own Forever

Description

Shares of most growth companies in Canada have seen sharp declines this year. As macro-level concerns like high inflation and rapidly rising interest rates started hurting sentiments, investors became worried about a looming recession. This was one of the key reasons that drove most Canadian growth stocks sharply lower in the first half of 2022.

Nonetheless, some high-growth stocks are witnessing a healthy recovery in the ongoing quarter with early signs of easing inflationary pressures. To take advantage of the ongoing recovery in growth stocks, you may consider adding them to your long-term stock portfolio. In this article, I'll highlight one of such remarkable high-growth stocks I find worth owning forever. Interestingly, this growth stock also pays healthy dividends.

goeasy stock

goeasy (TSX:GSY) is a Mississauga-based financial services company with a market cap of about $2 billion. The company mainly focuses on non-prime leasing and lending services of unsecured and secured installment loans across Canada through its brands, including easyhome, easyfinancial, and LandCare. Its fundamental strengths, like diversified lending platform, continued loan book and revenue growth, and focus on new quality acquisitions make it a remarkable growth stock to own forever in Canada.

goeasy stock delivered outstanding 401% positive returns in the last three years from $35.77 per share at the start of 2019 to $179.27 per share at the end of 2021. However, a massive selloff in high-growth stocks affected its stock price movement earlier this year, as it dived by 45% in the first half of 2022 to below $100 per share.

Nonetheless, a recent recovery in Canadian growth stocks with the help of the recent cooler-than-expected U.S. inflation numbers and goeasy's better-than-expected latest quarterly results are helping it rally this quarter. With this, GSY stock has already recovered by 30.5% in the third quarter so far to $128.06 per share. At the current market price, the stock also has a decent dividend yield of around

2.8%.

Why this growth stock is worth buying right now

On August 10, goeasy announced its second-quarter financial results. During the June quarter, the company registered a 24.4% YoY (year-over-year) increase in its total revenue to $251.7 million, mainly with the help of a strong 30% growth in its easyfinancial segment revenue. goeasy's quarterly organic loan growth reached a new record of $216 million with stable credit performance. These factors helped it register an 8.4% YoY rise in its adjusted earnings for the second quarter to a record $2.83 per share — also exceeding analysts' estimates.

In addition, the growth performance of the Canadian financial services firm's home equity and automotive financing improved last quarter. The recent accelerated growth in consumer loans receivable portfolio encouraged goeasy to raise its top-line outlook for 2022, 2023, and 2024. The company now expects its loan portfolio to approach about $4 billion in 2024.

Bottom line

goeasy is continuing to register strong financial growth, which has also improved its growth outlook for the coming years. Despite witnessing a 30% recovery in the ongoing quarter, its current stock price doesn't truly reflect these positive factors, especially when it's down by about 29% year to date. Given that, I expect the recently started rally in its stock to continue in the coming months, making it one of the best growth stocks in Canada to buy now and hold for the long term.

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