



Beginners: Here are 3 Top Canadian Stocks to Buy Right Now

Description

Equity markets have been on a roller coaster ride this year, creating challenges even for experienced investors. Understandably, this volatility can make new investors nervous. However, [beginners](#) should not be discouraged by the uncertainty. Instead, think long-term and pick quality stocks that can deliver solid returns. Here are my three top picks for beginners.

goeasy

goeasy ([TSX:GSY](#)) provides leasing and lending services to non-prime customers. The company has delivered impressive returns over the last 20 years at a CAGR (compound annual growth rate) of 35.9%. Its solid financials (with revenue and earnings per share growing in double digits) appear to have driven the company's stock price higher. Despite its robust performance over the last two decades, the company has acquired just 3% of its addressable market. So, it has substantial scope for expansion.

Meanwhile, goeasy is adding new verticals, developing new distribution channels, expanding its product offerings, and venturing into new markets to drive growth. The company is also shifting towards secured lending. In 2021, secured loans formed 32.8% of its loan mix compared to just 1.4% in 2017.

Also encouraging is the fact that its net charge-off rate and provisions for losses have declined over the last four years. Further, the company's management expects its loan portfolio to reach \$4 billion by 2024 while growing its revenue at a CAGR of 13.7%.

Despite its healthy growth prospects, goeasy trades at an attractive NTM (next 12 months) [price-to-earnings](#) of 9.2, making it an excellent buy for long-term investors.

Waste Connections

Second on my list would be **Waste Connections** ([TSX:WCN](#))([NYSE:WCN](#)), an integrated waste

services company. The company has consistently delivered solid performance over the last 10 years, delivering total shareholder returns of 645%. The essential nature of its business and strategic acquisitions has allowed the company to post solid performances, thus driving its stock price higher.

Meanwhile, growth could continue as the company actively expands its footprint across North America. Acquisitions made in the first six months of this year alone could contribute US\$470 million to its annualized revenue. The company has also signed definitive agreements to make acquisitions that can contribute an additional US\$225 million to its annual revenue.

Waste Connections owns or operates several landfills, with the average remaining life of these landfills at 29 years. The company also services oil and natural gas producers. The growth in energy demand has accelerated exploration and production activities, thus driving demand for the company's services. So, considering all of these factors, I believe Waste Connections would be an excellent addition to your portfolio.

BCE

My final pick would be **BCE** ([TSX:BCE](#))([NYSE:BCE](#)), one of Canada's top three telecommunication players. Telecommunication services have become a necessity in today's world, particularly in light of remote learning and working. Amid growing demand, the company has accelerated its capital spending to expand its 5G and broadband infrastructure. It expects to spend \$5 billion this year, taking its total capital investment to \$14 billion over the last three years.

With these investments, BCE expects to expand its [5G+](#) services to cover 40% of Canadians by this year's end. It is also expanding its high-speed broadband service across Canada. As telecom companies earn a substantial percentage of their revenue from recurring sources, they deliver regular and stable cash flows.

Supported by these predictable cash flows, BCE has raised its dividends by over 5% annually for the last 14 years. Its dividend yield currently stands at an attractive 5.91%. So, given its growth prospects, stable cash flows, and high dividend yield, I believe BCE would be an ideal buy for beginner investors.

CATEGORY

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1. NYSE:BCE (BCE Inc.)
2. NYSE:WCN (Waste Connections)
3. TSX:BCE (BCE Inc.)
4. TSX:GSY (goeasy Ltd.)
5. TSX:WCN (Waste Connections)

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