2 TSX Stocks That Could Grow Your Portfolio Over the Next Decade

Description

If you plan to create a portfolio for the next decade, consider shares of the companies growing their revenue and earnings rapidly. A company with high top- and bottom-line growth is more likely to outperform the broader market by a significant margin and generate solid wealth.

Investors could also consider adding a few top-quality, modern-age tech stocks. Shares of these could bounce back significantly on the back of secular tailwinds (an ongoing shift toward digitization) and benefit from the improvement in the economy.

So, for investors with a 10-year view, here are my two top recommendations that would significantly grow your portfolio.

A high-growth financial services company

goeasy (TSX:GSY) provides lending and leasing services to non-prime borrowers. Thanks to the large addressable market and its wide product range, goeasy has consistently delivered stellar growth. For instance, its revenue grew at an average annualized rate of 15.9% in the past decade. Moreover, its adjusted net income grew at a CAGR (compound annual growth rate) of 29.1% during the same period.

Investors should note that goeasy's growth hasn't slowed in 2022, despite the macro challenges and uncertainties. Its loan originations increased 66% in the second quarter of 2022. Thanks to the higher originations, goeasy delivered organic loan growth of 191%. Further, in the six months of 2022, its top line increased by 30%, while its bottom line increased by 15%.

goeasy sees double-digit growth in its top line through 2024. Meanwhile, stable credit performance and operating leverage will likely support its profitability. Benefits from organic loan growth, new product launches, and omnichannel presence will support its growth. Meanwhile, its solid earnings base will help drive its future dividend payments.

Notably, goeasy is solid dividend stock. It has paid dividend for over 18 years. Meanwhile, its dividend has a CAGR of more than 34% in the last eight years. Investors can earn a dividend yield of more than

3% by investing in goeasy stock near current price levels.

A solid new-age tech company

New-age tech stocks have witnessed massive selling amid fear of a recession. One among those is **Docebo** (TSX:DCBO)(NASDAQ:DCBO) stock, which has lost nearly 70% of its value from the 52-week high. The considerable decline in its stock seems unwarranted given its stellar performances amid challenges.

Docebo's organic revenues continue to grow rapidly, reflected through the robust annual recurring revenues. Its recurring revenues have a CAGR of 66% since 2016. Further, its average contract value continues to increase (grew over four times since 2016). With an increase in its enterprise customer base, ability to generate incremental revenue from existing clients, and high retention rate, Docebo is poised to outperform the TSX over the next decade.

Further, Docebo is expected to benefit from acquisitions, geographic expansion, and new product launches.

Overall, its strong growth prospects and massive decline provide a compelling buying opportunity at current levels.

Bottom line

These Canadian stocks have solid upside potential and will likely deliver market-beating returns. However, investors should invest with a long-term view, as near-term macro challenges could keep them volatile.

CATEGORY

1. Investing

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

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