3 High-Growth TSX Stocks to Buy Right Now

Description

Tech stocks have immensely disappointed investors this year. Still, there are some pockets that could outperform going forward, even if markets remain weak. Here are some high-growth TSX stocks that will likely soar higher.

default watermark

MEG Energy

Many TSX energy stocks are available at dirt-cheap prices these days, thanks to the recent correction. And one of them that looks more attractive is **MEG Energy** (TSX:MEG). It has dropped nearly 40% since June and is currently trading at $14 apiece.

Why MEG Energy stands tall is because of its large, high-quality reserves, discounted valuation, and supporting macro environment.

MEG has approximately two billion barrels of oil equivalent in proved and probable reserves, giving it a reserves life index (RLI) of 55 years. It is currently trading seven times earnings and looks undervalued compared to peers.

Moreover, the recent drop in oil prices seems off from the energy market fundamentals. The global energy markets have substantial supply woes that will weigh on prices. Plus, the recent recession fears that could dent oil demand look overblown.

So, higher expected oil prices will likely boost MEG Energy's earnings and free cash flows in the coming quarters. The resultant debt repayments and share repurchases should create notable shareholder value.

Cineplex

Although **Cineplex** (TSX:CGX) stock has disappointed investors in the last few years, it seems ready to change course soon. The higher foot traffic at its movie screens and a huge settlement amount from **Cineworld** could change its fate in the next few months. These two triggers will likely drive the stock way higher.

Weakening financials due to unenthusiastic moviegoers have been a major concern till early this year. Moreover, it borrowed boatloads of money to stay afloat during the pandemic, denting its balance sheet hard. However, both these woes could go away this year.

That's because patrons are returning to big screens this year, as restrictions waned. It has seen nearly 400% revenue growth in the last few quarters compared to last year. This will likely be its road to profitability and, ultimately, shareholder value.

At the same time, if it receives the said $1.24 billion settlement amount from Cineworld, it could alleviate the debt burden to a large extent. Note that the amount is almost half of Cineplex's enterprise value and could make a substantial difference. However, Cineworld has recently announced bankruptcy. So, the timing and whether it will pay in full is still uncertain.

goeasy

Top consumer lender stock **goeasy** (TSX:GSY) has been no different than markets and has lost 25% since August. So, this could be an opportunity for long-term investors.

default watermark

goeasy is a $1.7 billion consumer lender that primarily caters to non-prime borrowers. All those non-prime borrowers who cannot get credit from traditional financial institutions make goeasy's addressable market. It offers credits up to $75,000 and charges very high interest rates to those borrowers.

Strong underwriting and a large addressable market have been key to goeasy's growth all these years. Though it operates in a high-risk industry, the company has seen above-average financial growth in the long term. Its extensive geographical presence and product base have also been aiding its business growth well.

GSY stock has returned 250% in the last five years, including dividends. The stock will likely outperform in the long term, given its strong earnings growth prospects, undervalued stock, and stable dividends.

CATEGORY

1. Investing
2. Stocks for Beginners

TICKERS GLOBAL

1. TSX:CGX (Cineplex Inc.)
2. TSX:GSY (goeasy Ltd.)
3. TSX:MEG (MEG Energy Corp.)

PARTNER-FEEDS

1. Business Insider
2. Flipboard
3. Koyfin

4. Msn
5. Newscred
6. Quote Media
7. Sharewise
8. Smart News
9. Yahoo CA

PP NOTIFY USER

1. kduncombe
2. vinitkularni20

Category

1. Investing
2. Stocks for Beginners

Date
2025/08/16
Date Created
2022/10/01
Author
vinitkularni20

default watermark

default watermark