



If I Could Only Buy 1 Stock Right Now, This Would Be it

Description

Thanks to the considerable decline in prices of several top TSX stocks, investors with a long-term outlook have plenty of investment opportunities. For instance, high-growth tech stocks like **Shopify** and **Docebo** appear attractive, considering the massive price correction and strong growth prospects.

However, if I could buy one stock right now, I'll focus on a company with a track record of profitable growth and the ability to grow at a breakneck pace. Further, the company's business should recover swiftly as the macro environment improves. Finally, I would also consider the [dividend payout](#), as it will significantly enhance my returns in the long term.

Against all these parametres, **goeasy** ([TSX:GSY](#)) stock ticked all the right boxes. Let's examine the facts which make goeasy a perfect investment at current levels.

A stellar history of profitable growth

goeasy is Canada's leading sub-prime consumer lending company. It offers leasing and lending services through its easyfinancial, easyhome, and LendCare brands. goeasy's revenue has grown at a CAGR (compound annual growth rate) of 15.9% between 2011 and 2021. During the same period, its adjusted net income increased by 33.6%.

Investors should note that the momentum in goeasy's business has sustained in 2022, despite the weak macro environment. Further, its credit performance remains strong.

During the first half of the year, goeasy delivered record revenues of \$484 million, up 30% year over year compared to the prior year. Further, the operating and adjusted net income increased by 38% and 15%, respectively.

It's worth highlighting that goeasy's loan originations were up 66% in the second quarter (Q2). At the end of Q2, its gross consumer loan receivable portfolio stood at \$2.37 billion, up 32%. Meanwhile, its loans recorded an organic growth of 191%, which is a positive catalyst.

Also, goeasy continues to benefit from stable credit and payment performance. Increased penetration of secured lending products is leading to an improvement in its credit mix.

Strong growth ahead

goeasy is poised to deliver strong growth in the coming years on the back of its wide product range and expansion of distribution channels. Moreover, strong demand, a large non-prime lending market, stable credit performance, and operating efficiencies will support its growth.

goeasy expects double-digit annual growth in its top line through 2024. Meanwhile, it expects to expand its operating margins by 100 basis points during the same period. High sales and margin expansion will support its earnings growth and drive its stock price higher.

goeasy is a Dividend Aristocrat

Thanks to its solid financials and growing earnings base, goeasy has consistently paid dividend for 18 years. Meanwhile, it raised its dividend at a CAGR of over 30% in eight years.

Given the continued momentum in its business, margin expansion, and earnings growth, goeasy is likely to increase its dividend further.

Bottom line

goeasy stock has corrected more than 41% in one year. Due to this correction, goeasy stock is trading at a forward [price-to-earnings](#) multiple of 8.3, which is lower than the pre-pandemic levels and compares favourably to its historical average of 11.5.

Overall, its solid growth profile and low valuation make goeasy stock a compelling investment at current levels.

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