Holiday Bonus? You Could Double it With This TSX Stock

Description

One of the reasons this is the most wonderful time of the year is if you're employed, you often get a holiday bonus. A sweet little check that gives you a nice sigh of relief from all the holiday madness. But be honest, usually, you use that check and spend it almost immediately, don't you?

Even if you don't, it may just end up sitting in your savings account collecting dust. Right now, however, is a great time to invest in strong companies. Companies that could even *double* your holiday bonus check. So before you go spending it on a new set of AirPods, let me convince you otherwise.

Make it an *easy* choice

The tech sector hasn't been an easy one to watch these days. Tech stocks went from climbing to all-time highs, to some of the worst performers in the market. All thanks to just merely belonging to the tech industry.

Yet if there was one company that really didn't deserve the fall it's **goeasy** (TSX:GSY). goeasy is one of the few tech companies that's been around for decades. It started off by loaning out home appliances. Since then, it's grown rapidly to a loan provider for everything from car loans to homes and businesses.

GSY stock has been on a strong growth path over the last few decades, up 4,365% in just two decades! That's a compound annual growth rate (CAGR) of 20.9%! But that growth doesn't look like it's coming close to slowing down.

Strong performance amidst a poor sector

While other tech stocks continue to reign in their yearly predictions, goeasy has been upping theirs. Most recently, goeasy came out with record earnings results that led to even more buy recommendations from analysts.

This most recent quarter the company had record loan originations, at a time when loan growth has slowed everywhere else with rising interest rates. Revenue climbed 24% year over year, with record net customer growth, record financing volumes, and record operating income at $102 million.

Overall, it was the lenders' 50th consecutive quarter of same-store revenue growth, 85th consecutive quarter of positive net income, and 18th consecutive year of paying dividends.

Yes, dividends from a tech stock

It's true. goeasy stock actually provides a dividend, one that's increased each year for the last eight years! Right now, that dividend pays a yield of 3.11%, or $3.64 per share annually. So you get all this, plus passive income you can use to reinvest in GSY stock.

That's a holiday bonus anyone would want in their stocking. Especially given that GSY trades at a very valuable 12.5 times earnings. This valuation reflects the drop of 31% year to date. Again, though, through no fault of the company! Those record results have certainly helped, but being in the tech sector definitely hasn't.

Analysts predict shares will climb back to around $198 per share in the next year. If that happens, that's a potential upside of 66%. That is why this is the best chance you have to double your holiday bonus.

Bottom line

Let's say you get a bonus of $1,000. You use it to buy goeasy shares, and that brings in eight shares. Those shares will get you $30.57 in dividends as of writing. Now, if your $1,000 grew to that potential target price, that would turn your $1,000 into $1,663.20, or $1,694 with dividends. However, if the company reaches former all-time highs, that could turn your $1,000 into about $1,835! With dividends, your return would total $1,864.71. That's almost double your original investment in just a year.

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