



3 Growth Stocks That Can Heat Up Your TFSA This Summer

Description

The S&P/TSX Composite Index bounced back in a big way, climbing 126 points on May 30 as [anxiety over political developments in Europe](#) abated for investors. In recent history, the TSX has saved its best months for the latter half of the year, which should be of interest for investors. The TSX has managed to recover in part from a steep sell-off in late January and early February, but the index is still in negative territory for 2018.

Those on the hunt for growth still have a number of solid options on the table. Let's take a look at three stocks to target in your TFSA, as we reach the midpoint of this year.

Bombardier, Inc. ([TSX:BBD.B](#))

Bombardier stock rose 4.73% on May 30, and shares are up 53.4% in 2018 so far. The stock is up [almost 100% year over year](#). There is a lot of excitement since the company released its first-quarter results. This is warranted, but Bombardier still has key challenges ahead.

The company released its first-quarter results on May 3. Revenues climbed 4% year over year to \$4 billion. The EBIT margin grew to 5%, and Bombardier posted consolidated EBITDA of \$265 million. It also announced the sale of its Downsview property for over \$600 million. In the business aircraft segment, the backlog grew to \$14.3 billion, as its Global 7000 jet prepares for certification and entry in service. Bombardier is also on track to achieve free cash flow breakeven by the end of the year.

Investors looking for an entry point may have to wait a long time, which should prompt action in the near term.

Goeasy Ltd. ([TSX:GSY](#))

Goeasy is a Mississauga-based company that provides alternative financial services to customers. Shares have increased 14.3% in 2018 as of close on May 30. Goeasy is a particularly interesting option in a tightening rate environment, as consumers facing a credit crunch may increasingly turn to the kind of financial services Goeasy provides. The company released very encouraging first-quarter results on May 1.

Revenue rose 21.8% from the prior year to \$114.8 million, as the consumer loans receivable portfolio climbed 55.5% to \$601.7 million. Loan originations hit a record \$202.4 million, while the loan book experienced growth of 354.6% to \$75.2 million. As of March 31, 2018, the company boasted \$57.3 million in cash and \$110 million from committed credit facilities.

Goeasy even offers a quarterly dividend of \$0.225 per share, representing a 1.8% dividend yield.

ATS Automation Tooling Systems Inc. (TSX:ATA)

ATS Automation is a Cambridge-based company that provides automation systems for customers. Shares have climbed 31.2% in 2018 and are up 57% year over year. Factory automation is broadly expanding, which makes this company a very attractive long-term target. It released its fiscal 2018 fourth-quarter and full-year results on May 17.

Annual revenues rose 10% from fiscal 2017 to \$1.11 billion, and order bookings grew 4% to \$1.18 billion. The period end order backlog hit a record \$746 million, which represented a 10% increase from the prior year.

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2. TSX:BBD.B (Bombardier)
3. TSX:GSY (goeasy Ltd.)

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