



2 Growth Stocks Simply Perfect for the TFSA Right Now

Description

Buying quality growth stocks can boost the long-term returns of your portfolio tremendously. Right now, these growth stocks are attractively priced, and you can get tax-free capital gains by buying them in your TFSA today.

Grow your portfolio with Biosynt on this correction

Biosynt ([TSXV:RX](#)) stock's meaningful correction of 23% from its 52-week high is a huge bargain. The specialty pharmaceutical company has been very profitable and making excellent use of its assets and capital. It has had returns on assets and returns on equity of +22% and +24%, respectively, every year since 2011. Its recent net margin was about 25%.

Biosynt sources, acquires, or in-licenses innovative pharmaceutical products to sell primarily in Canada. These products are proven safe and effective to improve the lives of patients.

At \$8.02 per share as of writing, Biosynt trades at a forward price-to-earnings multiple of about 18.7. The analyst consensus from **Thomson Reuters** has a mean 12-month target of \$11.70 per share on the stock, which represents almost 46% near-term upside potential on the stock.

Management estimates the company will grow at a rate of about 20% in the long run. It has some products with +\$25 million in peak penetration expected to launch in 2019 or 2020. So, now's a perfect time to accumulate the growth stock.

Notably, the stock is reporting its third-quarter results today. So, it may be especially volatile around this time.



Spin out high returns with Spin Master

Despite having a meaningful correction of +25% from its recent high, **Spin Master** ([TSX:TOY](#)) stock has still more than doubled in the last three years or so, delivering annualized returns of nearly 30%.

The high returns of the children's entertainment company are supported by its strong returns on assets and returns on equity. Its recent return on asset and return on equity were about 14% and 28%, respectively.

To date, Spin Master has received 103 Toy of the Year nominations, including the seven it received for the 2019 Toy of the Year Awards, and it has had 28 wins across a range of product categories. The toy, game, and licensing winners of the 2019 Toy of the Year Awards will be unveiled by The Toy Association on February 15.

With the co-founders who continue to lead the company, shareholders can count on Spin Master to come out with more popular toys and evergreen global entertainment properties. Management also eyes for fitting acquisitions as a part of its growth strategy.

At \$43.38 per share as of writing, [Spin Master](#) trades at a forward price-to-earnings multiple of about 18.5. The analyst consensus from Reuters has a mean 12-month target of US\$45 (or roughly CAD\$59.40 per share) on Spin Master, which represents almost 37% near-term upside potential on the stock.

Investor takeaway

Both Biosyent and Spin Master are [compelling growth-stock ideas](#) that should deliver above-average returns. By buying them in your TFSA, you can hold for long-term growth or trade strategically without the hindrance of taxes.

CATEGORY

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1. Editor's Choice

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2. TSXV:RX (BioSyent)

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