3 TFSA Cash Cows I'd Buy Right Now

Description

In the age of accrual accounting, it's become important as ever for investors to check up on the actual cash that flows into a company regularly. Earnings are great to start with, but if cash isn't flowing in, investors may not be as happy with a company's financial flexibility at any given instance in time.

In this piece, I'm going to reveal three firms that are growing their free cash flows through the roof.

Restaurant Brands International (TSX:QSR)(NYSE:QSR)

The fast-food juggernaut behind Burger King, Tim Hortons, and Popeyes Louisiana Kitchen has been on a tear lately, recently breaking through its ceiling of resistance to hit a new all-time high.

Just a year ago, most investors were worried over sub-par comps numbers at Tim Hortons and the potential decay of brand equity as a result of the controversies the chain had been hit with. Today, concerns at Tims are in the rear-view mirror, and with comps on the uptrend, as the company continues its ambitious Asian expansion, there are many reasons to be bullish on the rapid grower that keeps raking in the dough.

Burger King, a drag when Tims is doing the heavy lifting for a given quarter (and vice versa), is back on the right track, and as the cash pile continues flowing in, investors can expect to get another whopper dividend increase as management effectively juggles its growth investment initiatives.

Quebecor (TSX:QBR.B)

The Quebec-based telecom company behind Vidéotron and various French-only programs has experienced unstoppable momentum over the last five years with shares soaring 138%. Unlike the Big Three Canadian telecoms, Quebecor has enjoyed a nice moat around its home province of Quebec where it's called the shots.

Quebec is a vast province, and as 5G becomes the norm, there's going to more than enough on

Quebecor's plate for those worried about stagnating growth. With ARPUs (average revenue per user) on the uptrend, Quebecor has the opportunity to expand on multiple horizons, and given the company's dominant positioning, I see Quebecor stock continuing rising with minimal volatility over the next five years and beyond.

Tucows (TSX:TC)(NASDAQ:TCX)

Tucows is a wonderful growth business that's built on two cash cow segments: stable IT services and the rapidly growing mobile and internet service provider in Ting.

The stock has rocketed over 60% from its 2018 bottom, and with nothing standing in the company's way, momentum investors may want to get a bit of skin in the game today, seeing as Tucows is a unique opportunity that's tremendously profitable.

"Tucows's main IT service business isn't too attractive for the growth-oriented investors, but when you consider the growth potential behind Ting (Tucows's rapidly growing telecom subsidiary) and the 'safety net' of the domain business, you get the perfect cocktail of both growth and value," I said in a prior piece.

The stock is now on the expensive side at 38 times trailing earnings, so the value-conscious should keep the name on their radar and pray for a dip, which may happen if Tucows fails to jump past the high bar that analysts have now set for it.

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