



TFSA Investors: This Growth Stock Is Unmatched!

Description

It's always a good idea to build a [diversified](#) portfolio of stocks in your TFSA to help make sure that overall returns are as consistent as possible, thereby reducing volatility.

This means that [defensive stocks](#), dividend stocks, and growth stocks all have a place in your portfolio.

For long-term TFSA investors who want their TFSA to grow faster than the market, having a greater emphasis on growth stocks can provide this torque.

But if you're looking for exposure to growth stocks, you'll quickly see that this can sometimes be a tricky proposition. You want growth, but you probably don't want all the risk that comes with some of these growth stocks.

I've searched long and hard for those growth stocks that offer a very attractive risk/reward profile and have found a growth stock that is unmatched — and that you should consider buying for your TFSA for lots of growth without lots of risk.

Waste Connections Inc. ([TSX:WCN](#))([NYSE:WCN](#))

Waste Connections is a North American solid waste services company that provides waste collection, transfer, disposal, and recycling services.

This company has seen significant growth all within the framework of a defensive business, and its stock has been soaring.

Today, the stock is up 3% off of another earnings report that was better than expected, with strong free cash flow generation coming in at an impressive 20% of revenue and continuing to set the company up for more growth in the future.

Explosive growth

In the last five years, revenue has increased 145%, net income has increased 332%, and free cash flow has increased 437%.

The company continues to beat expectations, raise its dividend and the stock continues to soar, with a year-to-date return of 25%.

With a 24% dividend growth rate in 2016, a 17% dividend growth rate in 2017, a 16% dividend growth rate in 2018, and a 163% increase of the share price since January 2016, Waste Connections Inc. has given investors the best of two worlds, dividend income and growth, and capital appreciation.

Defensive and predictable

The solid waste industry is a defensive one.

And it is one that is still very fragmented, with Waste Connections being in a prime position to continue to be a consolidator given the company's strong cash flow generation and balance sheet.

Waste Connections is the third largest solid waste company in North America, and with size and a clean balance sheet on its side, the company is well positioned to continue to return cash to shareholders and continue to pursue its goal of consolidating its fragmented industry through acquisitions.

Final thoughts

TFSA investors, Waste Connections stock can provide you with a very attractive risk/reward profile that can help boost the overall return of your portfolio and that can even be one of the top performers in the long-term.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:WCN (Waste Connections)
2. TSX:WCN (Waste Connections)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Dividend Stocks
2. Investing

Date

2025/07/06

Date Created

2019/04/25

Author

karenjennifer

default watermark

default watermark