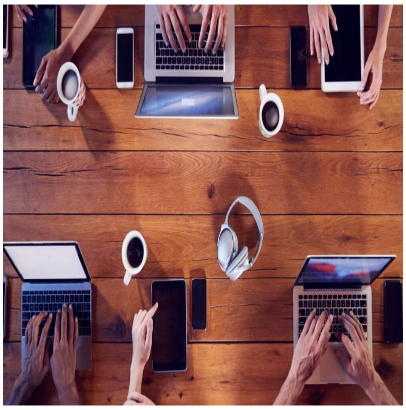

2 TFSA Growth Stocks to Propel Today's Young Investor to a Rich Retirement

Description

One of the most important things when it comes to investing for retirement is time — time for your investments to grow, time for the companies you invest in to expand and gain market share, time to collect as many years of dividends as you can, and time to watch all of these returns compound over the years.

Young investors: you have time on their side. So, you should not waste it and get down to the business of saving for your retirement by putting your money into a TFSA today.

Growth stocks are perfect candidates for your TFSA, as they have the potential to generate massive capital gains over the long term. And young investors, you have a very long investment horizon, so buy those growth stocks that have a long runway of growth ahead of them.

Here are two growth stocks for your TFSA that can propel you to a rich retirement.

BlackBerry

With the move away from the handset and phone business pretty much behind **BlackBerry** (TSX:BB)(NYSE:BB), CEO John Chen has been propelling the company toward the cybersecurity industry, with acquisitions such as Cylance solidifying BlackBerry's strategic direction.

Cybersecurity, or the protection of internet-connected systems, is a very attractive area to have exposure to for long-term gains, as it is a secular growth industry of the future — perfect for a young investor's TFSA.

The cybersecurity business will explode in the next few years, as more machines are connected, and as the Internet of Things (IoT) industry hits its growth projections of more than doubling by 2021 (relative to 2017 levels).

Cylance's Smart Antivirus is a prime example of the type of products that BlackBerry offers. This artificial intelligence-driven, prevention-focused security solution learns to predict and prevent cyberattacks.

Moving to BlackBerry's financials, this company is backed up by a strong balance sheet, with over $500 million in cash and a debt-to-total-capitalization ratio of 20%, and it is a free cash flow generator.

Sierra Wireless

Sierra Wireless (TSX:SW)(NASDAQ:SWIR) stock has been weak in the last few years, and after releasing its fourth-quarter and year-end 2018 results, which showed slowing revenue growth and mounting net losses, as well as 2019 company guidance that was well below expectations, we must revisit this name and decide if it should make it into our TFSAs.

Sierra has also shifted its business and is now focusing more on IoT services. This focus will afford Sierra greater recurring revenue, higher gross margins, and customer stickiness — all favourable things.

The company has given the investor community some targets to guide expectations regarding the IoT services segment, which represented 54% of revenue in 2018 — targets such as revenue of $1 billion in three years and $1.25 billion in five years; this compares to total revenue of $794 million in 2018.

So big growth is expected here for this growth stock.

And Sierra's financials also back up this growth story; with virtually no debt and more than enough flexibility to fund its growth plans, this company is in good shape.

CATEGORY

1. Investing
2. Tech Stocks

POST TAG

1. Editor's Choice

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2. NYSE:BB (BlackBerry)
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karenjennifer