



3 Growth Stocks Perfect for Your TFSA

Description

When considering the types of stocks to add to your portfolio, it's important to note that not all stocks are the same. While that might seem obvious, it's not just that there are risky versus conservative stocks either. There are a number of strategies that investors can take to make the most out of their investments.

There are blue-chip stocks, which are usually large, financially sound companies with a proven track record of earnings and the market capitalization to match. There are value stocks that are also large companies but may have quite conservative earnings and trade below fair value.

Then there are growth stocks — companies that analysts believe are going to outperform the market based on current performance and future forecasts. The stocks usually don't pay dividends, instead using those funds to accelerate future growth. This usually comes down to innovation within the industry of the company, allowing for the company to take up a lion's share of the market. These are the stocks that I will be focusing on today, and while they tend to be a bit riskier, the rewards could be significant.

Lightspeed

One such growth stock that analysts are currently watching is **Lightspeed POS** ([TSX:LSPD](#)). This company has had one of Canada's most successful initial public offerings (IPO) and the most significant in the tech sector in nine years, outpacing even **Shopify**. The company [raised \\$240 million](#) during its IPO and has been on a steady increase to 118% since the IPO back in March as of writing.

Part of this growth comes from the company's stellar returns, with revenues for 2019 coming in at \$77.5 million, an increase of 36% year over year according to the first post-IPO earnings report. Its second, released Wednesday, repeated those exciting results with 38% growth in revenue year over year, and a 40% increase in recurring revenue from software and payments revenue.

For those wondering if growth can continue, know that Lightspeed is well established in a growth industry: the point-of-sale market. The company develops point-of-sale and analytics software,

providing analytics and supply chain management features that sets them ahead of the pack. As this growing industry continues to expand (with estimates hitting \$108 billion by 2025), Lightspeed will be there to grow along with it.

Viemed

Another stock set to outpace the markets is **Viemed Healthcare** ([TSX:VMD](#)), a top-performance pharma stock that has had significant gains already in the last few years. Since its IPO back in 2017, shares have increased 230% at writing, with almost 90% year to date. In its latest quarter, the company generated revenue of \$20.4 million compared to revenues of \$14.1 million in the first quarter of 2018 — a whopping 45% increase.

The main reason analysts like this stock is both the present and [future potential](#) of Viemed. The company develops in-home treatments for respiratory complaints and has been looking for other areas where it might expand within in-home care. This has proven lucrative already for the company, and as baby boomers age, these types of options will be in high demand.

TC Energy

Finally, we have a diamond in the rough with **TC Energy** ([TSX:TRP](#))([NYSE:TRP](#)), an energy company that seems to be the only one out there with shares growing steadily in 2019. Year-to-date shares have increased by 26%, and since the company's IPO, those shares have remained at a steady clip with only a few dips along the way.

The company's recent second quarterly report was good but not amazing, which is what would be expected at this point. TC Energy had net income of \$1.1 billion, an increase of 40% from the same time last year. Earnings came in at \$924 million, an increase of 20% since last year. As the company's CEO stated, the company's diversified portfolio has helped them manage this tough time in the industry.

Further growth is expected, as the company continues \$32 billion in secured growth projects — \$7 billion of which will be completed by the end of this year. That's on top of the long-term contracts the company already has, meaning cash will continue to flow in now and in the future.

CATEGORY

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TICKERS GLOBAL

1. NYSE:TRP (Tc Energy)
2. TSX:LSPD (Lightspeed Commerce)
3. TSX:TRP (TC Energy Corporation)
4. TSX:VMD (Viemed Healthcare)

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