



## TFSA Investors: 2 Little-Known Value Stocks That Could Make You Filthy Rich

### Description

With TFSA top-up season just under a month away, it's time to look to some of Canada's lesser-known mid-caps to boost your TFSA's growth profile without increasing the amount of additional risk you'll take on.

Consider **Quebecor** ([TSX:QBR.B](#)) and **Jamieson Wellness** ([TSX:JWEL](#)), two relatively under-the-radar Canadian growth stocks that can grow their earnings by the double digits over the next decade.

In addition, each name possesses "defensive" traits, secular tailwinds, and a lower correlation to the broader markets. Despite possessing such sought-after characteristics that make such names popular with "smart beta" funds, both names trade at what I believe are discounts to each respective firm's intrinsic value.

Without further ado, let's have a closer look at them to see which one is the timelier bet for TFSA investors this January.

### Quebecor

Quebecor is a Quebec-focused telecom behind Vidéotron. Unless you live within the Province of Quebec, you've probably never heard of either Quebecor, its subsidiary Vidéotron, or any of its Francophone brands.

Many telecom investors are aware of the 5G wireless and Fibre infrastructure rollouts that could bolster margins over the next few years. Each firm is gearing up for the new telecom tech arms race.

Amid rising competition, the margin expansion potential from such new telecom tech stands to be dampened depending on how fierce competition will become for Canada's top telecom titans.

With the Big Four telecoms duking it out over the coming years, it's going to be tough to foresee who will come out on top. Fortunately, with Quebecor, you don't need to place a bet on the outcome of a four-horse race.

Quebecor isn't trying to overextend itself like the other telecoms by expanding across Canada and run the risk of spreading itself too thin.

Quebecor has found great [success](#) within Quebec (and various other French-speaking communities), and it's sticking with the market that it knows best — a home-ice advantage (or moat) that Quebecor has over the other Canadian telecoms.

The stock has been a top-performer over the past five years, with shares more than doubling and putting the **TSX** to shame in the process.

Moving forward, I see continued outperformance from the Quebecois telecom kingpin as it looks to shut out the competition from its home turf due to its broad penetration across the province, the long growth runway, and Quebecor's already deep penetration across the massive province of Quebec.

The stock trades at 14 times next year's expected earnings, a multiple that I think is [far too low](#) given the firm's premium characteristics (0.47 beta) and its incredible risk-off growth profile.

## Jamieson Wellness

Jamieson, the iconic Canadian maker of vitamins, minerals and supplements (VMS), is another little-known company slated to ride on long-lived secular tailwinds.

Aging Boomers and health-conscious millennials are going to continue to fuel high demand for VMS products, and many Canadians will reach for Jamieson's green-capped bottles at the health section of their local grocer.

Why?

Jamieson has brand equity built over a century. The product has been trusted across generations. Although millennials have shown less loyalty to consumer packaged good brands relative to their parents, it's worth noting that VMS products are more like health products, not generic food products that one can safely trust with a cheaper no-name alternative.

As such, Jamieson has one of the widest moats in the VMS market and not only in Canada. As Jamieson continues developing new products and launching in international markets like China, a huge growth region for Jamieson moving forward, the growth possibilities are very encouraging, but the current 2.9 times sales multiple doesn't do the company justice.

I'd grab the defensive growth stock at today's levels while the name is still out of the limelight of the mainstream financial media, because by the time most other investors hear of the name, the price of admission, I believe, could surge.

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1. TSX:JWEL (Jamieson Wellness Inc.)
2. TSX:QBR.B (Quebecor Inc.)

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