3 Ways to Double Your $20K TFSA in 2020 (Without Being Reckless)

Description

Hello, Fools. I'm back to draw attention to three attractive growth stocks. Why? Because companies with rapidly growing revenue and earnings

- have far more appreciation potential than the average stock; and
- can help you outperform during bad times, as investors flock to truly special growth stories.

As legendary investor Warren Buffett once said, "Put together a portfolio of companies whose aggregate earnings march upward over the years, and so also will the portfolio's market value."

So, if you're looking to double your $20K TFSA in 2020 (without being reckless), this is a good place to start.

Bet your bottom dollar

Leading off our list is **Dollarama** (TSX:DOL), which has grown its EPS and revenue at a rate of 138% and 62%, respectively, over the past five years. Shares of the discount retailer are up about 40% over the past year.

Dollarama's growth should continue to be supported by solid scale (over 1,250 stores across Canada), a well-recognized brand, and healthy fundamentals. In the most recent quarter, EPS increased 10% as sales improved 9.6% to $947.6 million.

More importantly, same-store sales — a key retail metric — grew 5.3%.

"I am very pleased with our strong top line performance through the first nine months of fiscal 2020, reflecting the strength of our business model and the continued appeal of our concept to consumers across Canada," said CEO Neil Rossy.

Dollarama currently trades at a forward P/E in the low 20s.

Fueling gains

Next up, we have **Parkland Fuel** (TSX:PKI), which has grown its EPS and revenue at a rate of 149% and 227%, respectively, over the past five years. Shares of the petroleum products specialist have risen about 40% over the past year.

Parkland's impressive growth over the past several years is underpinned by an integrated supply chain, massive scale (about 22 billion litres of annual fuel volume), and steady fundamentals. In the most recent quarter, EPS clocked in at $0.16 on revenue of $4.6 billion.

Looking ahead, management sees full-year adjusted EBITDA of $1.24 billion +/- 5%.

"We delivered strong financial and operating performance across all segments and continue to demonstrate our ability to operate efficiently at scale," said CEO Bob Espey.

Parkland shares offer a decent dividend yield of 2.5%.

Game the system

Rounding out our list is **Great Canadian Gaming** (TSX:GC), which has delivered EPS and revenue growth of 213% and 206%, respectively, over the past five years. Shares of the casino operator are down 14% over the past year.

Lacklustre revenue growth and general concerns over the economy have weighed the stock in recent months, but now might be a prime opportunity to pounce. In Great Canadian's Q3 results this past November, adjusted EBITDA grew to a solid $142 million, despite revenue growth of just 2.5%.

"During the quarter, we continued to make progress with our Ontario developments," said CEO Rod Baker. "Also well underway is the greenfield development of Pickering Casino Resort, which will feature a full scope of gaming and entertainment amenities."

Great Canadian shares trade at a forward P/E in the high teens.

The bottom line

There you have it, Fools: three attractive growth stocks for 2020.

They aren't formal recommendations. Instead, view them as ideas worth further research. Even stocks with breakneck growth can crash hard if you don't pay attention to valuation, so plenty of due diligence is still required.

Fool on.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:DOL (Dollarama Inc.)
2. TSX:PKI (Parkland Fuel Corporation)

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