



Retire Rich: 1 Super Growth Stock for Your TFSA

Description

Forget penny stocks for a moment. For most retail investors, they're not the answer to unlocking next-level growth to fund a wealthy retirement.

It's just too risky to place bets on sub-\$100 million market cap stocks. By exploring the depths of the **TSX Venture Exchange** without proper due diligence, you could lose your shirt with unrecoverable double-digit percentage losses that could hit you without a moment's notice.

Everybody wants to bet on the next big thing that [could lead to multi-bagger returns](#). But in terms of significant gains that are anything close to being sustainable, it's not the micro-cap penny stocks that you should be looking to; rather, it's the established mid-cap stocks that have actual fundamentals, assets, and an opportunity to make ample economic profits in a budding industry (and no, we're not talking about marijuana).

Consider shares of **Lightspeed POS** ([TSX:LSPD](#)), a little-known e-commerce enabler that's starting to make a name for itself in Canada's tech scene.

The company has a \$3 billion market cap and has been making small acquisitions (most recently of a German hospitality software firm called Gastrofix) to further bolster its already impressive positioning in the point-of-sale market.

The company has enjoyed a nice growth spurt since hitting the **TSX Index** in early 2019, with shares now up 123% in just under a year's time.

As the company continues picking up momentum in its niche industry, though, the stock could have a heck of a lot more room to run, especially when you consider the stock isn't that expensive compared to **Shopify**.

At 29 times sales and 14 times book, Lightspeed POS is by no means a value stock. However, it's certainly not as expensive as it could be if the company continues to accelerate its top-line growth.

The company posted 38% and 51% in year-over-year (YoY) revenue growth over the last two quarters

(Q1 and Q2 of fiscal 2020), but given the potential to be had with Lightspeed Payments and its recent acquisition spree, I wouldn't at all be surprised to see Lightspeed continue to raise the bar for itself with even higher YoY quarterly growth numbers, as Shopify did in its run to \$560.

As a POS solution primarily aimed at small-and-medium-sized businesses (SMBs), Lightspeed may not be identical to Shopify in its earlier years, but it sure does rhyme.

So, if you missed out on the Shopify pop, Lightspeed is a great growth bet that could evolve into one of Canada's next big multi-baggers. The stock is white-hot thanks to recent momentum in fiscal 2020, but in the grander scheme of things, I see the name as being in the early innings of its growth story.

There will be big bumps in the road, but if you've got the time horizon, stash the name in your [TFSA](#) because your capital gains could have the potential to be off the charts.

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