Double Your TFSA Without Risking Your Shirt: Here's How

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 *safely* double your TFSA over the next five years, this is a good place to start.

Staying active

Leading off our list is **Gildan Activewear** (TSX:GIL)(NYSE:GIL), which has grown its EPS and revenue at a rate of 62% and 42%, respectively, over the past five years. Shares of the apparel products company are off about 10% over the past year.

Gildan's long-term growth should continue to be supported by solid scale (more than 30 manufacturing facilities globally), well-recognized brands, and healthy investments ($1.5 billion in capital spending over the last decade).

While the company has been seeing volume softness in recent months, it still managed to generate $47 million in Q3 free cash flow.

"We have a strong balance sheet and expect to continue to generate strong free cash flow, and we will continue to allocate capital where we think we can achieve strong returns and deliver value to our shareholders over the long term," said CFO Rhodri Harries.

Gildan shares currently offer a dividend yield of nearly 2%.

Premium pick

Next up, we have **Premium Brands Holdings** (TSX:PBH), which has grown its EPS and revenue at a rate of 312% and 175%, respectively, over the past five years. Shares of the packaged foods specialist have risen about 20% over the past year.

Premium Brands's impressive growth is underpinned by smart acquisitions, popular brands, and steady traction in the United States. In the most recent quarter, earnings clocked in at $27 million, as revenue grew 16% to a record $968 million.

Moreover, U.S.-based sales now represent nearly 40% of total company sales.

"Our solid year-over-year results for the quarter, including our industry-leading organic growth rates, clearly illustrate the progress we are making in positioning our company for long-term success," said CEO George Paleologou.

Premium Brands offers a decent dividend yield of 2.3%.

How convenient

Rounding out our list is **Alimentation Couche-Tard** (TSX:ATD.B), which has delivered EPS and revenue growth of 141% and 92%, respectively, over the past five years. Shares of the convenient store giant are up more than 20% over the past year.

Alimentation continues to lean on its massive scale (more than 12,500 stores), well-known brands (including Circle K, Couche-Tard, and Mac's), and stable cash flows to deliver steady result for shareholders. In the most recent quarter, total merchandise and service revenue increased 2% to $3.5 billion.

More importantly, return on capital employed improved to 13.9% while management repurchased another $126.5 million worth of shares during the quarter.

"We continue to experience steady results in our overall business with strong fuel performance and merchandise sales," said CEO Brian Hannasch.

Couche-Tarde shares trade at a forward P/E in the mid-20s.

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. NYSE:GIL (Gildan Activewear Inc.)
2. TSX:GIL (Gildan Activewear Inc.)
3. TSX:PBH (Premium Brands Holdings Corporation)

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1. Business Insider
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1. Investing

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