TFSA: 3 Stocks to Hold Until 2050

Description

When this millennium started, no one could have predicted the kind of decade the market had in the 2010s. Of course, this performance was buoyed by historically low interest rates and loose monetary policy that was pursued in the aftermath of the 2007-2008 financial crisis. Today, I want to look beyond the 2020s.

Several **TSX** stocks are well-positioned to benefit from trends that will transform the social and economic fabric of this country. And what better account to hold them in than the TFSA, where you can rack up tax-free gains for decades?

According to Statistics Canada, in 2014 over six million Canadians were aged 65 or older, which represents 15.6% of the total population. By 2030, this number will climb to over 9.5 million – and represent 23% of the total population. The percentage is projected to steadily rise well into the latter decades of this century.

Investors should keep these trends in mind and consider the three stocks I will delve into below.

Savaria

Savaria (TSX:SIS) is a Quebec-based company that designs, engineers, and manufactures products for personal mobility. A recent report from Market Research Engine, a global market research and consulting organization, projected that the global personal mobility devices market will exceed more than USD $14 billion by 2024. This would represent a CAGR of 7% over the forecast period covering 2019 to 2024.

Shares of Savaria have dropped 2.5% in 2020 as of close on January 21. The stock is down 4.2% year over year, which presents a solid buy-the-dip opportunity for value investors.

In the year-to-date period ending Q3 2019, the company had reported revenue of $277 million – up 44.1% from the prior year. Adjusted net earnings climbed 25.6% to $17.9 million and adjusted EBITDA surged 44.8% to $40.4 million.

The company boasts an immaculate balance sheet and enticing growth potential in a promising market. Shares also offer a monthly dividend of $0.0383 per share, which represents a 3.3% yield.

Park Lawn

Park Lawn (TSX:PLC) provides goods and services associated with the disposition and memorialization of remains in North America. Funeral services are set to see increased demands as a greater proportion of the population enters old age.

This company has stood out from its competitors by maintaining an excellent balance sheet, giving it the flexibility to pursue aggressive acquisitions in Canada and the United States.

In the third quarter, Park Lawn saw revenues rise 54% year over year to $66.5 million. In the year-to-date period, Park Lawn posted revenue growth of 58.2% and adjusted EBITDA soared 70.2% to $39.8 million.

In the third quarter, Park Lawn completed the construction of the third floor of the Mausoleum of Faith at Westminster Cemetery in Toronto, which will add approximately 1,080 additional crypt spaces.

Investors can expect to see Park Lawn's fourth quarter and full-year results for 2019 in March. This stock also offers a monthly dividend of $0.038 per share, which represents a modest 1.5% yield.

Sienna Senior Living

Sienna Senior Living (TSX:SIA) is one of the largest owners and operators of seniors' housing in Canada and the largest licensed long-term care operator in Ontario. According to a 2016 report from the Conference Board of Canada, the country will need an additional 199,000 long-term care beds by 2035.

Investment and spending in long-term care will contribute roughly $235 billion to real GDP, and Sienna is positioned to be the beneficiary of much of that growth.

In the year-to-date period ending Q3 2019, the company reported revenue of $497 million compared to $472 million in the prior year. Adjusted funds from operations (AFFO) rose marginally to $72.3 million and net operating income climbed to $119 million over $112 million.

Value is the main concern for investors monitoring Sienna right now. The stock has climbed 20% year-over-year as of close on January 21. Shares possess a sky-high price-to-earnings ratio and a price-to-book value of 2.4.

The stock had an RSI of 76 at the time of this writing, putting it in technically overbought territory. However, Sienna does offer a monthly dividend of $0.078 per share, representing a 4.8% yield.

The stock is expensive right now, so long-term investors should wait for a pullback before jumping in and holding tight.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

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2. TSX:SIA (Sienna Senior Living Inc.)
3. TSX:SIS (Savaria Corporation)

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