TFSA Investors: Triple Your Money With Dollarama Stock

Description

Many stocks have taken a nosedive during the first quarter of 2020, but **Dollarama Inc.** (TSX:DOL) wasn't one of them. And while Dollarama stocks may have dipped after the initial market crash, as of writing, it looks like the stock is well on the way back to pre-crash share prices. That leaves little room for investors buy up this stock for their TFSA before it keeps soaring higher.

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So let's take a look at what shareholders should look forward to if they invest in Dollarama stock.

Dollarama stock: steady and stable

If you're looking to bolster your TFSA, Dollarama stocks are the ones for you. The company has an incredible history of growth over the past several years. In fact, since 2009, share prices have jumped 1,333%! This comes from a multitude of sources.

First of all, Dollarama now receives many products directly from the source, cutting out the middle man and lowering prices as a result. This brings in more customers — and more cash.

The company has then taken all that cash and expanded its store locations throughout the country, with Dollarama stock jumping every time the company announces new store locations.

Another stable part of the stock? Its dividend. While it may not be enormous at 0.40%, it definitely helps when you want extra cash to put back into this stock.

Today and tomorrow

Customers looking for cheaper products during the last recession went running to stores like Dollarama. This could certainly happen again, and has already been keeping share prices of Dollarama stocks up with projected positive earnings reports.

The company still has a few more months before its earnings report, which leaves some time for this stock to grow before investors get really crazy about Dollarama.

In the next year, Dollarama stock could jump to $55 per share from where it is now at about $43 per share, a potential upside of 28%. But looking at historical performance, should you choose to invest now, you could be looking at the potential for more than 80% growth in the next five years.

This growth would come from the company's further expansion of stores and from the purchase of a Latin American thrift store. The company plans to use its own business model to bolster this company's success. If successful, Dollarama's stock prices should skyrocket

Bottom line

If you were to use half of your TFSA contribution room toward this stock of $34,750, your Dollarama stock could be worth $44,440 in just a year. In the next decade, shares could be worth $139.32 if we use the last five years as any indication. That would mean your initial investment could be worth $112,570.56, with an additional $3,232 in dividends.]

Companies like Dollarama are perfect for the investor looking to bulk up their TFSA with some defensive, long-term stocks.

If you choose to buy today, while you won't have to wait long to bring in cash, given enough time, you could triple your initial investment without adding another penny.

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CATEGORY

1. Coronavirus
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TICKERS GLOBAL

1. TSX:DOL (Dollarama Inc.)

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