



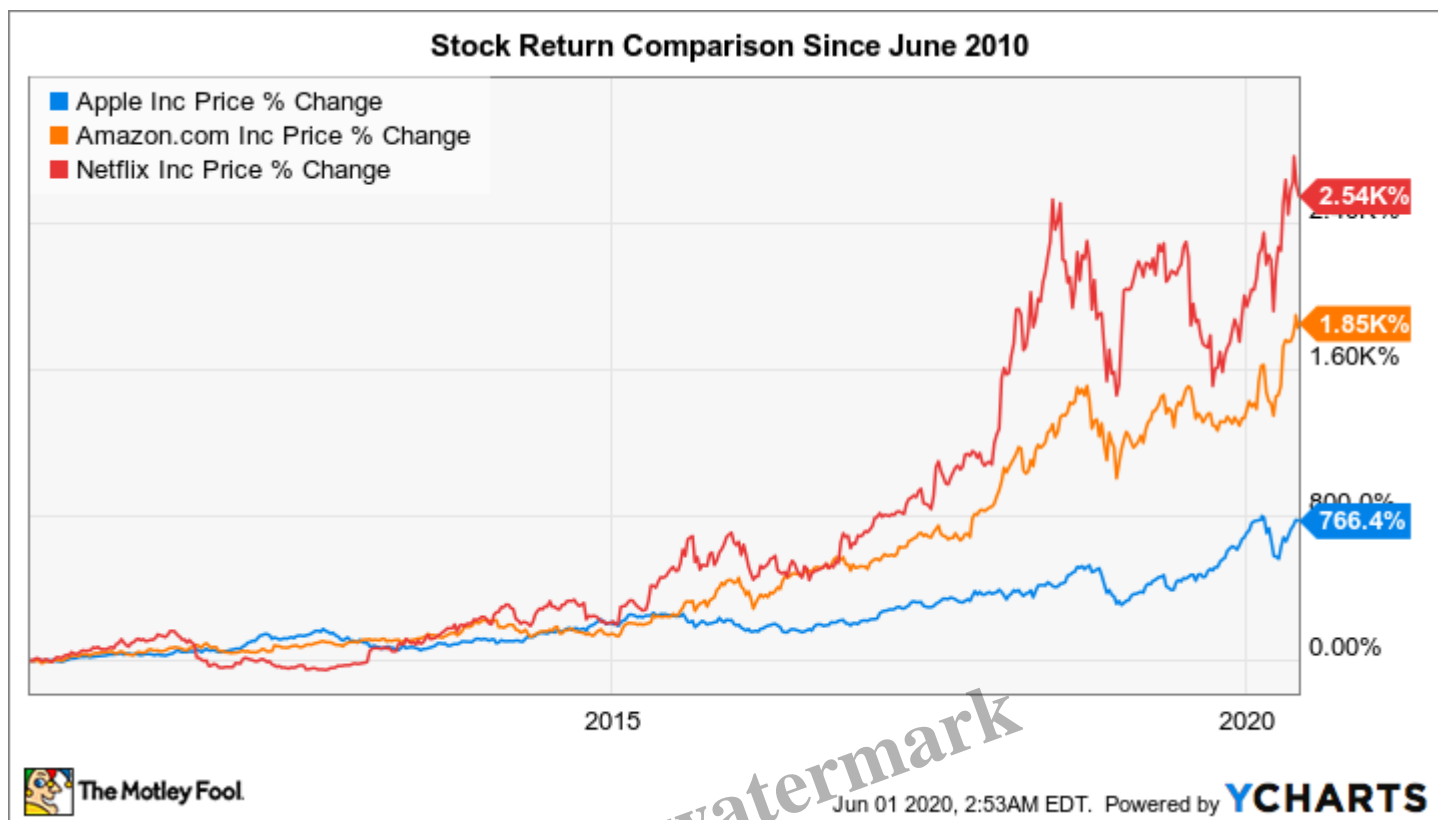
How a Canadian Couple Can Turn \$12,000 in TFSA Contribution Into \$120,000 by 2030

Description

Young Canadians need to allocate capital to secure their retirement. One way to do this is by taking a long-term outlook. This lets you benefit from the power of compounding. Investing needs patience and is a long-term play. A small investment can grow to become significant over time.

The TFSA (Tax-Free Savings Account) can be used to purchase growth stocks and build a robust portfolio. The TFSA contribution limit for 2020 stands at \$6,000. So, for Canadian couples, this contribution is \$12,000.

Any withdrawals from your TFSA is tax-free. Further, it also provides flexibility to withdraw funds any time in case of a financial emergency. There are no penalties for such withdrawals and these contributions can be replaced in the following year.



[AAPL](#) data by [YCharts](#)

A top Canadian growth stock for your TFSA

Growth stocks continue to remain attractive to long-term investors. As seen in the above chart, tech stocks such as **Apple**, **Netflix**, and **Amazon** have generated multifold returns in the last decade. One such Canadian stock that can create massive wealth in the upcoming decade is **Lightspeed POS** ([TSX:LSPD](#)).

Lightspeed creates software solutions and support systems to help small and medium enterprises. A majority of LSPD customers are retailers and restaurants. Lightspeed helps businesses to engage customers, manage operations, and accept payments. There is a shift toward omnichannel operations and Lightspeed aims to be at the forefront of this transition.

In [fiscal 2020](#), Lightspeed's gross transaction volume (GTV) stood at US\$22 billion. It has customers in over 100 countries with 76,500 customer locations and an average GTV of US\$600,000 per customer. In 2020, LSPD's revenue was up 56% to US\$121 million. Its customer base was up 56% as well, while GTV rose 54% year over year in 2020.

Close to 90% of company sales are recurring in nature. This means the business is not cyclical and will help tide the firm over a volatile macro environment. While LSPD has exposure to the badly hit hospitality segment, the company confirmed 75% of its customers are actively trading amid COVID-19.

Further, Lightspeed has [experienced strong demand](#) from the e-commerce vertical in the March

quarter and this trend is expected to continue in the long-term. LSPD's retailer volume, in fact, rose by a staggering 400% in April compared to February. While this growth is unsustainable, the e-commerce segment is one of the fastest-growing ones in the world and will be a key driver of company top line.

LSPD stock is trading at a high valuation

Lightspeed has a market cap of \$2.55 billion. It's trading at a 2020 sales to market cap ratio of 21 which is expensive. However, due to their stellar growth metrics, such companies tend to trade at a premium. Lightspeed's GTV has increased from \$7.1 billion in 2017 to \$22.3 billion in 2020, a compound annual growth rate of 45%. Comparatively, its revenue has increased at an annual rate of 41% in this period.

LSPD continues to post a non-GAAP loss. However, it aims to improve profit margins over time. LSPD's retailer base grew 50% in April compared to March while its payments business experienced a record month as well.

Lightspeed can be one of the top stocks for your TFSA, given the increase in online sales, new customer additions, and its rapidly expanding addressable market.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. TSX:LSPD (Lightspeed Commerce)

PARTNER-FEEDS

1. Business Insider
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Date

2025/09/28

Date Created

2020/06/02

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