TFSA Investors: 3 Recent IPOs That Can Turn $30,000 Into $1,000,000 by 2030

Description

The Tax-Free Savings Account (TFSA) is a popular registered account among Canadians. The TFSA was introduced back in 2009 and the cumulative contribution limit for this account stands at $69,500. While contributions to this account are not tax-deductible, any withdrawals in the form of dividends or capital gains are exempt from CRA taxes.

default watermark

This makes the TFSA an ideal choice for long-term growth investors. Growth stocks have the potential to create massive investor wealth over time and crush the broader equity markets. Here are three stocks that went public in the last year that investors can consider for their TFSA.

Lightspeed POS has made a strong comeback in 2020

The first stock on the list is **Lightspeed POS** (TSX:LSPD). The company's cloud-based platform aims to enable millions of small- and medium-sized businesses to manage operations, accept payments, and improve customer engagement.

LSPD stock went public in March 2019 at a price of $16 per share and soared to a record high of $49.7 last August. The stock is currently trading at $32.5 after it touched a low of $10.5 in March 2020.

Lightspeed has an expanding addressable market and a growing customer base that remain key drivers of its revenue growth. LSPD claimed that no one customer generates over 1% of total revenue which makes it customer base diverse. Further, it generates 33% of sales from markets outside the U.S. and Canada, providing it with significant diversification.

LSPD continues to increase customer spending on its platform by adding new solutions such as Lightspeed Payments. These data-driven solutions help to generate incremental sales from existing customers lowering overall acquisition costs.

An enterprise-facing e-learning platform

Docebo (TSX:DCBO) is another recent IPO with the potential to generate multi-fold returns. The stock went public at $16 per share in October 2019 and has already doubled to currently trade at $36.7.

Docebo provides enterprise-facing e-learning solutions. It has transitioned toward a SaaS (software-as-a-service) based model and ended Q1 with recurring sales of 90%. A SaaS business will help companies offset cyclicality and generate a steady stream of subscription revenue. In Q1, Docebo's recurring revenue was up 69% year-over-year. The tech company is also experiencing strong demand for services due to the ongoing shift to remote work.

Docebo ended Q1 with 1,930 customers and US$52 million in annual recurring revenue. It generates 71% of revenue from North America and 29% from Europe. This suggests that Docebo has enough opportunities to grow sales in other international markets.

Lemonade stock is valued at $4.2 billion

The third stock is the recently listed company **Lemonade**. Shares of Lemonade were priced at $29 per share and it touched $69.4 on the first day since trading. Lemonade stock in fact reached a high of $96.5 in intra-day trading and currently trades at $76.14 per share at writing.

default watermark

The $4.1 billion company provides homeowners and renters insurance in the U.S. It provides contents and liability insurance in Germany and the Netherlands. Lemonade aims to replace brokers with its portfolio of services and will continue to expand globally by disrupting the home renting process in major markets.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. TSX:DCBO (Docebo Inc.)
2. TSX:LSPD (Lightspeed Commerce)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Sharewise
6. Yahoo CA

Category

1. Investing
2. Tech Stocks

Date

2025/09/28
Date Created
2020/07/16
Author
araghunath

default watermark

default watermark