



## TFSA Wealth: 3 Top Small-Cap Stocks to Buy Today

### Description

Investing success in a Tax-Free Savings Account (TFSA) is very gratifying. There are few things better than racking up tax-free gains. A small-cap stock is generally a company with a market capitalization between \$300 million and \$2 billion. Small caps have historically outperformed large caps. However, these stocks also tend to be more volatile. Today, I want to look at three small-cap stocks that are worth stashing in a TFSA for the long haul.

### TFSA investors: This small-cap stock is on a roll in 2020

**Goodfood Market** ([TSX:FOOD](#)) was recently pinpointed by Fool contributor Vishesh Raisinghani as a stock that could [10x its value in 10 years](#). This online grocery company is entering an exciting phase. Shares of this small cap have soared 119% in 2020 as of close on July 23.

The company released its third-quarter fiscal 2020 results on July 8. It achieved a profit for the first time in its history, as net earnings hit \$2.8 million. Revenue climbed 74% year over year to \$86.6 million while gross profit increased 77% to \$24.9 million. The COVID-19 pandemic has had a positive impact on its business, accelerating the shift to e-commerce grocery shopping.

TFSA investors should look to get in on the e-commerce grocery trend in the years ahead. Goodfood Market is a great stock to start with on the TSX.

### Don't sleep on this super healthcare stock right now

**Savaria** ([TSX:SIS](#)) designs, engineers, and manufactures products for personal mobility in Canada and around the world. Back in June, I'd explained why the stock was [worth holding for decades](#). The global personal mobility market is well positioned for big growth in the years to come largely on the back of aging demographics. Savaria is the perfect small-cap stock for a TFSA.

Shares of Savaria have dropped 1.7% in 2020 so far. The stock is still up 13% year over year. Savaria provided a preview of its second-quarter 2020 results on July 15. Adjusted EBITDA was estimated at

\$14.5 million, which would represent a 2% increase from Q2 2019. In the year-to-date period, revenue will have dropped 4.7% from the prior year to \$173 million.

The stock last had a price-to-earnings ratio of 24 and a price-to-book value of 2.4. This puts Savaria in good value territory relative to industry peers. TFSA investors can also rely on its monthly dividend of \$0.0383 per share, which represents a 3.4% yield.

## One more small-cap stock to add to your TFSA

**Lucara Diamond** is a Vancouver-based diamond miner with a major presence in Africa. Its shares have dropped 30% in 2020 so far. Weaker diamond prices have weighed on its performance this year. Lucara's steep decline since 2016 has pushed it to micro-cap levels.

In the first quarter of 2020, Lucara reported total revenue of \$34.1 million. Meanwhile, it finished the quarter in a strong cash position with solid liquidity. Lucara is a solid option for investors who are on the hunt for a safe-haven alternative that is not gold, silver, or platinum. This is a volatile stock with big upside in a TFSA.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. TSX:FOOD (Goodfood Market)
2. TSX:SIS (Savaria Corporation)

### PARTNER-FEEDS

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

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aocallaghan

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