



2 Companies to Watch for Your TFSA

Description

In your Tax-Free Savings Account (TFSA), it would be a good idea to buy shares of companies that have very high growth potential. That way, if they grow as much as you think they can, the gains you see are not taxed. This is an excellent way to accumulate wealth. One way to find great growth companies is to look at industries that are primed for market-beating growth in the coming years. In this article, I will provide two companies that investors should keep in mind for their TFSA accounts.

This new tech IPO could be a monster stock

The first company that investors should keep in mind is **Nuvei** ([TSX:NVEI](#)). This company [first went public](#) on September 17. Since then, its stock has seen a very impressive amount of growth. The company currently has little to show in terms of earnings. It's therefore unclear whether this growth is purely speculative or whether the market is re-pricing the stock to a more reasonable valuation. No matter what the scenario, Nuvei operates in a very exciting industry that should see tons of growth moving forward.

The company offers a variety of payment processing solutions. Nuvei currently serves more than 50,000 customers in about 200 global markets. Its platforms also support 450 payment methods and cover 150 currencies. This global focus enlarges its total addressable market quite significantly.

The aspects of the company that I am most interested in are its mobile payments and e-commerce integration. I believe these two industries will grow significantly in the next decade. If Nuvei can maintain its leadership position in the payment industry, it should be a leading beneficiary in that growth.

Nuvei has also been very highly praised by critics. Its founder and CEO, Philip Fayer, was named one of Canada's Top 40 Under 40 in 2009. In 2019, he was awarded the Ernst & Young Entrepreneur of the Year for Quebec in the FinTech category. Finally, Nuvei was named one of Deloitte Canada's Best Managed Companies. With claims to these prestigious awards, investors should be very excited to watch this company moving forward.

A very specific play in the ecommerce movement

The second company that Canadian investors should keep in mind is **Goodfood Market** ([TSX:FOOD](#)). As I mentioned earlier, the e-commerce industry should see an extraordinary amount of growth in the years ahead. Goodfood is one of the leaders in online grocery and meal kit providers.

In [its earnings reports](#), the company lays out several investment theses that should not be brushed aside. First, the company mentions its high growth rate. Goodfood has seen an average monthly growth of 20% since the fourth fiscal quarter of 2015. Second, Goodfood has managed to capture 40% of the total market share in Canada within the meal kit industry. Among the remaining theses presented, the final one I will focus on is the fact that its management team has a 40% stake in the company.

Goodfood Market operates in the \$130 billion grocery industry. As a result of the pandemic, the adoption of online grocery shopping has been accelerated. As we keep moving forward, I believe more and more consumers will adopt the practice as well. This is a company that I brushed aside initially, until I really thought about how great of an opportunity this could be. Goodfood Market is an excellent company to keep in mind.

Foolish takeaway

In your TFSA account, investors should make a habit of adding some excellent high growth companies. Looking at industries that are primed for growth in the coming years will help you find outstanding candidates. Nuvei and Goodfood Market are two companies that I would consider watching for such an addition.

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