TFSA Wealth: 3 Stocks With 10-Bagger Potential

Description

With a Tax-Free Savings Account (TFSA), it's possible to accumulate wealth very quickly. Because the account is totally tax-free — both within it and upon withdrawal — you can compound returns faster than just about anywhere else. For example, if you get a 100% return on a $10,000 investment in a TFSA, that extra $10,000 is yours to keep. This is not so in an RRSP, where the money becomes taxable the second you go to withdraw it.

Because of the tax-free nature of the TFSA, many people use the account to buy growth stocks. If you're investing to realize quick gains, the TFSA is the best account to do it in, because you can spend 100% of the proceeds. Perhaps you've been thinking about making some high-growth TFSA investments for this reason. If that's the case, then here are three ultra-high growth TSX stocks to consider holding.

Lightspeed POS

Lightspeed POS (TSX:LSPD)(NYSE:LSPD) is a Canadian retail POS company. It started off supplying point-of-sale systems and later added an e-commerce platform similar to **Shopify's**. Many people thought that Lightspeed would not succeed amid the COVID-19 pandemic. As a retail-oriented software company, its business seemed vulnerable to business closures.

However, when LSPD's Q2 2020 earnings came out, the company revealed that it made up the difference by selling more of its e-commerce offerings. In its most recent quarter, LSPD grew its revenue at 79% year over year. It lost $42 million, but the revenue-growth rate pleased investors, sending the stock higher in the two weeks following the release (though it has since given up most of the gains).

Facedrive

Facedrive (TSXV:FD) is easily one of Canada's top-performing stocks of 2021. Up 184% year to date, it has nearly tripled investors' money. Part of that is hype, as the company's stock has been heavily promoted online. But it's also partially a response to the company's phenomenal revenue growth. Went it went public, FD had $387,000 in net revenue, up from just $36,000 a year before.

That's a revenue-growth rate of more than 1,000%! Of course, it's not hard to grow rapidly when you're starting from a base of just $36,000. Still, this company has been a market beater many times over.

Docebo

Docebo (TSX:DCBO) is one TSX stock that could benefit immensely from current trends. In the COVID-19 era, there has been increased interest in "remote work" stocks that capitalize on the work-from-home trend. The biggest name in this space would be **Zoom**, a stock that has been soaring in the past year.

Zoom provides videoconferencing software for remote meetings. Docebo provides e-learning software that facilitates remote training. These two niches are related. Just like workers in the COVID-19 era may not be able to come in to work for meetings, they also may not be able to come in for "hands-on" training. Thus, Docebo gains from the same trend that's been sending Zoom soaring. The company's financials bear this out.

In its most recent quarter, DCBO grew its revenue by 60%, had 13.2 million in gross profit, and slashed its operating loss to $654,000 from $3 million. In one recent quarter, it even achieved a modest $700,000 profit. These are encouraging results for such an early-stage tech stock, making DCBO one to watch in the year ahead.

CATEGORY

1. Investing
2. Tech Stocks

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4. TSX:LSPD (Lightspeed Commerce)
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Date
2025/07/08
Date Created
2021/02/25
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