



Make \$1 Million Tax-Free With This Top TSX Stock

Description

Doesn't [making a million dollars](#), tax-free, sound nice? Scratch that — it sounds like a fantasy.

For some investors, it's not. Those investing in high-growth names in a Tax-Free Savings Account (TFSA) have been able to do so. For example, companies like **Boyd Group** ([TSX:BYD](#)) are ones that have turned \$75,000 into well over \$2 million over 10 years.

For those with the ability to sit patiently and wait 10 years, and have \$75K in TFSA room available, Boyd is a stock to think about.

TFSA an underutilized vehicle

Various polls show around 40% of Canadians are using the TFSA incorrectly. Many Canadians are parking cash in these long-term growth vehicles, rather than investing in companies like Boyd.

With the amount of interest one earns in any fund these days approximating zero, that's not a good idea. Indeed, the tax advantages of paying no capital gains on stocks one owns is a massive deal. For investors who socked their TFSAs away in cash, stop. Look for high-quality, long-term companies with a track record of serious capital appreciation.

Boyd fits this bill nicely. It's among my top picks for investors looking to become millionaires a decade or two down the road. As mentioned before, even if Boyd continues to grow at half its current pace, this is a plausible outcome.

Boyd's business model makes this a perfect TFSA holding

Boyd is a growth-by-acquisition play in the auto parts sector. This company operates in a very unsexy sector, with a very attractive long-term proven track record of growth.

The company has grown so dramatically over the years via scooping up tiny auto body chains and

consolidating a very fragmented industry. This strategy has been highly successful and is reflected in the company's long-term stock chart.

Boyd's management team has proven it's world class in its approach to acquiring companies. Boyd is prudent with its approach and doesn't overpay for acquisitions. Additionally, right now is the perfect time to be an aggressive acquirer. Acquisition financing costs are near all-time lows, and the auto body sector has been hit hard from the pandemic (we're all driving less).

Bottom line

The proof is in the pudding with Boyd. This company's long-term growth potential appears to remain intact. The catalysts that have driven this stock to these levels are stronger than ever. Boyd is still a consolidator in a highly fragmented industry, with excellent earnings growth potential.

I think those with available TFSA room or cash simply parked in a TFSA should think about owning companies like Boyd for the long term.

Indeed, we may see a correction or two along the way. Growth stocks may sell-off. But companies like Boyd that have proven that their business models work are those that investors new to the growth investing game should flock to first.

CATEGORY

1. Investing

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2. growth stocks
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TICKERS GLOBAL

1. TSX:BYD (Boyd Group Income Fund)

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