3 TSX Stocks That Will Provide Superior Returns in Your TFSA

Description

The March 2020 market correction afforded investors the opportunity to add top growth stocks at a discount. **Shopify** and others have delivered marvelous returns since sinking to a 52-week low at the onset of the COVID-19 pandemic. It is even better when you hold these stocks in a Tax-Free Savings Account (TFSA). Canadians should keep their eyes on TSX stocks that can achieve a similar story in 2021. Today, I want to look at three TSX stocks that could offer superior returns in your TFSA in 2021 and beyond.

Why it’s time to jump on this top TSX stock

Kinaxis (TSX:KXS) is an Ottawa-based technology company that provides cloud-based subscription software for supply chain operations around the world. Its shares have climbed 28% year over- ear as of early afternoon trading on March 12. However, this TSX stock has dropped 24% in 2021. Now is a perfect time for TFSA investors to pounce.

The company released its final batch of 2020 results on March 3. SaaS revenue rose 24% year-over-year to $39.8 million. However, total revenue dropped 2% from the prior year to $54.9 million. Profit plummeted 120% to $1.58 million. Its year-end pipeline grew 40% from 2019. Moreover, Kinaxis did encounter some headwinds due to order delays during the pandemic.

In October, I suggested that investors should snatch up TSX stocks like Kinaxis. Kinaxis last had an RSI of 31, putting it just outside of technically oversold territory. It’s not too late to snatch up this exciting tech stock in your TFSA.

TFSA investors should snag this dividend aristocrat

Goeasy (TSX:GSY) is a Mississauga-based alternative financial services company. It provides loans and other financial services to its Canadian consumer base. Shares of this TSX stock have climbed 35% in 2021 so far. The stock has increased 187% year over year.

In Q4 2020, goeasy delivered another record-breaking quarter. Its loan portfolio rose 12% to $1.25 billion. Adjusted annual net income came in at $118 million or $7.57 per share – up 47% and 46%, respectively, from 2019. Both easyfinancial and easyhome achieved record revenues in the quarter. This financial services company is on track for strong growth going forward.

Shares of this TSX stock possess a favourable price-to-earnings ratio of 14. Better yet, it has delivered six consecutive years of dividend growth. The Dividend Aristocrat offers a quarterly distribution of $0.66 per share. That represents a modest 2% yield. TFSA investors should lock-and-load this stock for the long haul.

One more TSX stock to hold in your TFSA for the long haul

Park Lawn (TSX:PLC) is the last TSX stock I want to focus on for TFSA investors today. Earlier this month, I'd looked at equities that were poised to gain due to Canada's aging population. Investors can expect to see its fourth quarter and full year 2020 results later this month. Its shares have increased 7% in 2021 so far.

The company provides goods and services associated with the disposition and memorialization of remains in North America. In Q3 2020, Park Lawn reported revenue of $242 million in the year-to-date period – up $175 million from the previous year. Adjusted EBITDA had climbed to $55.6 million compared to $39.8 million in the same period in 2019.

This top TSX stock offers a monthly dividend of $0.038 per share, representing a 1.5% yield. TFSA investors should target this promising equity that is dominant in the death care space.

CATEGORY

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2. TSX:KXS (Kinaxis Inc.)
3. TSX:PLC (Park Lawn Corporation)

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