



TFSA Investors: 3 Hidden Gems That Could Turn \$6,000 Into \$30,000 by 2025

Description

The TFSA, or Tax-Free Savings Account, is gaining in popularity among Canadians, and for good reason. This registered account provides investors the opportunity to grow long-term wealth without paying a single dollar in taxes to the Canada Revenue Agency. So, it makes sense to hold [growth stocks](#) in your TFSA that have the potential to outpace the broader markets easily.

The TFSA contribution limit for 2021 stands at \$6,000. We'll look at three lesser-known cannabis stocks that have the potential to turn \$6,000 into \$25,000 by the end of 2025.

Columbia Care

A multistate operator with 126 facilities and licences in 14 states, cannabis stock **Columbia Care** ([CNSX:CCHW](#)) is valued at a market cap of \$1.53 billion. It recently acquired CannAscend that has four dispensaries in Ohio, a state where sales have more than doubled year over year.

Columbia Care has increased sales from US\$77.5 million in 2019 to US\$179 million in 2020. It expects to touch US\$530 million in sales this year with an adjusted EBITDA of US\$105 million. In 2020, it reported an EBITDA loss of US\$4 million.

Columbia Care is well poised to grow inorganically as well. It ended Q1 with US\$176 million in cash, up from just US\$26 million in the year-ago period. The stock went public in mid-2019 and has since lost 40% in market value, allowing investors to buy a quality stock at a discount.

Cresco Labs

The second pot stock on my list is **Cresco Labs** ([CNSX:CL](#)), which is one of the largest multi-state operators south of the border. Cresco is also the largest cannabis wholesaler in the United States. Due to the recent wave of legalization in the country, Cresco is poised to grow revenue and earnings at an enviable rate in 2021 and beyond. It has [a presence in six of the 10 most populated states](#) in the U.S., including California, New York, and Florida.

Cresco stock is also reasonably valued given its market cap of US\$2.65 billion and revenue estimated to touch US\$869 million in 2021. Its sales stood at just US\$43 million in 2018. This stellar growth in revenue will also allow Cresco stock to improve its bottom line from a loss per share of US\$0.24 in 2020 to earnings of US\$0.31 per share in 2022.

4Front Ventures

The final cannabis stock on my list is **4Front Ventures** ([CNSX:FFNT](#)). Similar to other companies discussed here FFNT has also grown its sales at a robust rate from US\$31 million in 2019 to US\$57.6 million in 2020. Analysts expect sales to more than triple to US\$191 million in 2021 and rise by 25% to US\$240 million in 2022.

In the second quarter of 2021, 4Front reported sales of US\$34.4 million, indicating year-over-year growth of 85%. Its adjusted EBITDA stood at US\$7.5 million, indicating a margin of 22%. The company has forecast sales between US\$170 million and US\$180 million in 2021 while EBITDA is forecast between US\$40 million and US\$50 million.

FFNT's CEO Leo Gontmakher explained, "Following the initiation of adult use sales in Massachusetts and the enthusiastic reception of our Calumet City, Illinois dispensary in late 2020, our steady growth quarter over quarter shows that our strategy of replicating low-cost production methods can rapidly scale in the most attractive markets in the country."

CATEGORY

1. Cannabis Stocks
2. Investing

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2. CNSX:CL (Cresco Labs Inc.)
3. CNSX:FFNT (4Front Ventures Corp.)

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