3 Top Growth Stocks That You Should Add to Your TFSA Account

Description

The Canadian government introduced the TFSA (Tax-Free Savings account) in 2009 to encourage its citizens to save more. Investors can invest a specified amount, called contribution room, through the TFSA account to earn tax-free returns. This year, the CRA (Canadian Revenue Agency) has fixed the contribution room at $6,000 while the cumulative amount stands at $81,500.

So, if you still have not maxed out on your limit, here are three high-growth stocks that you should add to your account to earn superior returns.

goeasy

First on my list is **goeasy** (TSX:GSY), which provides leasing and lending services to non-prime customers across Canada. It has delivered impressive returns over the last two decades. Its top and bottom line have grown at a CAGR of 12.8% and 31% during the period. Despite the strong growth, its market share just stands at around 3% of its addressable market. So, it has a significant potential for expansion.

Meanwhile, goeasy is expanding its product offerings, venturing into new markets, increasing its penetration, and strengthening its digital assets to drive growth. Its acquisition of LendCare could add around 3,000 additional point-of-sale channels while adding new industry verticles, such as power sports, health care, and home improvement. Given the healthy outlook, its management expects to increase its loan portfolio by 50% over the next two years while delivering an impressive return-on-equity of over 22% annually.

Despite its healthy growth potential, goeasy is trading at an attractive forward price-to-earnings multiple of 14.1. Also, the company has been raising its dividends at a CAGR of 31% over the last seven years. So, given all these factors, I believe goeasy is an excellent addition to a TFSA account.

Nuvei

Second on my list is **Nuvei** (TSX:NVEI)(NASDAQ:NVEI), which provides electronic payment processing services across 200 markets, supporting 500 local and alternative payment solutions. With the rising adoption of online shopping, digital transactions are becoming more popular, expanding the addressable market for the company.

The company also focuses on product innovation, geographical expansion, strengthening its position in high-growth verticals like online gaming, and opportunistic acquisitions to drive growth. Meanwhile, it has witnessed a significant sell-off over the last few weeks, with its stock price correcting by around 54% amid fears of an interest rate hike and a short report from Spruce Point Capital. However, I believe the significant pullback offers an excellent entry point for long-term investors.

Cargojet

Cargojet (TSX:CJT) operates cargo services in Canada and internationally, with an array of 31 aircraft. It provides an overnight delivery service to 15 prominent Canadian cities, covering around 90% of its population. Given its scale and unique overnight delivery service, the company has a significant advantage over its peers.

Amid the growth in e-commerce, the demand for Cargojet's services is rising. So, the company is adding new aircraft and new routes, which could boost its financials in the coming quarters. Its long-term and minimum volume guarantee agreements and higher retention rates provide stability to its financials. So, the company's growth prospects look healthy. Besides, the company also pays quarterly dividends, with its forward yield at 0.6%.

CATEGORY

1. Bank Stocks
2. Investing
3. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:NVEI (Nuvei Corporation)
2. TSX:CJT (Cargojet Inc.)
3. TSX:GSY (goeasy Ltd.)
4. TSX:NVEI (Nuvei Corporation)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. jguest
2. rnanjapla

Category

1. Bank Stocks
2. Investing
3. Tech Stocks

Date
2025/06/29
Date Created
2022/02/13
Author
rnanjapla