TFSA Investors: 4 TSX Stocks to Beat the Market

Description

If you plan to add a few top-quality stocks to your TFSA (Tax-Free Savings Account) portfolio, consider adding the shares of **Dye & Durham** (TSX:DND), **Telus** (TSX:T)(NYSE:TU), **goeasy** (TSX:GSY), and **Shopify** (TSX:SHOP)(NYSE:SHOP).

These TSX stocks have significant upside potential and will likely beat the market in the long term. Let's discuss why one should buy these stocks now.

Dye & Durham

Dye & Durham stock has corrected about 44% from its 52-week high, creating a solid opportunity for TFSA investors to accumulate it at current levels. The recent decline has led to a compression in its valuation. Meanwhile, Dye & Durham continues to grow rapidly, thus supporting my bullish view.

Its strategic acquisitions and strength in the base business continue to drive revenue and adjusted EBITDA. Recently, it announced Q2 financials, wherein the top line and adjusted EBITDA increased by 225% and 267%, respectively.

Overall, Dye & Durham's strong growth, large customer base, growing geographic footprint, and expansion of product suite augurs well for growth. Meanwhile, strategic acquisitions, long-term contracts, and low churn will likely support its future growth.

Telus

Telus is another top stock that should be a part of your TFSA portfolio, owing to its ability to deliver profitable growth consistently. This telecom company continues to add new subscribers at a rapid pace that supports its revenues and net income and, in turn, its dividend payments.

Recently, it announced its Q4 results wherein its total mobile and fixed customer increased by 272,000. Telus's superior performance reflects strong customer demand for its bundled offerings and ability to retain customers. Looking ahead, its ability to acquire high-value customers, channel expansion, and favourable sales mix augurs well for growth.

Further, strategic acquisitions, expansion of its broadband infrastructure, accelerated rollout of its 5G network, and cost-savings initiatives will likely boost its financials. Moreover, Telus could continue to return a substantial amount of cash to its shareholders in the form of increased dividends.

goeasy

Financial services company goeasy could be another top bet for TFSA investors. It has consistently grown its revenues and profitability at a breakneck pace. Moreover, it has enhanced its shareholders' value through increased dividend payments. goeasy stock has witnessed a healthy pullback, creating a buying opportunity for investors.

Its revenues and earnings could continue to grow at a double-digit rate. Loan volumes growth, expansion of products, strategic acquisitions, higher ticket size, and growing geographic footprint are expected to drive its top line. Meanwhile, strong payments volume and operating leverage could drive its bottom line.

Thanks to its profitable growth, goeasy has increased dividend at a CAGR of 34% in the last seven years. Meanwhile, it remains on track to increase it further in the coming years.

Shopify

I see multiple reasons for buying Shopify stock at current price levels. The significant correction in its price, market share gains, and continued investments in growth initiatives provide a solid foundation for future growth and position it well to capitalize on the ongoing digital transformation.

Shopify's investments in expanding its fulfillment capacity, expansion of merchant services, multichannel selling platform, and increased adoption of its payments solutions augur well for growth. Meanwhile, geographic expansion, merchant acquisitions, and operating leverage support my bullish view.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:SHOP (Shopify Inc.)
2. NYSE:TU (TELUS)
3. TSX:DND (Dye & Durham Limited)
4. TSX:GSY (goeasy Ltd.)
5. TSX:SHOP (Shopify Inc.)
6. TSX:T (TELUS)

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snahata