



## TFSA Investors: 3 Cheap Growth Stocks for Tax-Free Gains

### Description

The current macroeconomic and geopolitical headwinds have made it challenging for investors to pick stocks for their TFSA portfolio. Due to the recent selloff, several TSX stocks have corrected significantly from their peak. However, not all are investable.

If you plan to add a few solid high-growth stocks to your TFSA portfolio, consider adding **Lightspeed** ([TSX:LSPD](#))([NYSE:LSPD](#)), **Nuvei** ([TSX:NVEI](#))([NASDAQ:NVEI](#)), and **Dye & Durham** ([TSX:DND](#)) stocks. Let's look at these stocks to know why they would outperform the broader markets in the long term and generate stellar tax-free capital gains.

### Lightspeed

Lightspeed offers cloud-based payments and e-commerce platform to small- and medium-sized businesses. The demand for its digital products accelerated amid the pandemic and led to a rally in its stock. However, concerns around growth and a short report from Spruce Point wiped out a significant amount of value from its market cap.

It's worth noting that Lightspeed stock has corrected over 76% in six months. I see this as an entry point for long-term investors, as the company continues to grow rapidly, despite tough comparisons. It continues to benefit from the ongoing digital shift. Moreover, increasing payment penetration provides a multi-year growth opportunity. Further, geographic expansions, acquisitions, growth in consumer base, and higher revenue from existing customers support its growth.

Shares of Lightspeed Commerce are trading at an EV/sales ratio of 3.3, reflecting a massive discount from its historical average. Moreover, it projects organic revenue to grow at a CAGR of 35-40% in the coming years, which is encouraging and supports my outlook.

Overall, secular tailwinds, multiple growth catalysts, and low valuation make Lightspeed a [solid investment](#) for your TFSA portfolio.

## Nuvei

Nuvei is another top stock for your TFSA portfolio. Shares of this payment technology company have declined over 54% in six months due to a short report and general selling in growth stocks. However, management termed the report false and reiterated the medium-term revenue and volume outlook, which is reassuring.

The positive secular trends amid ongoing digital shift, growing addressable market, opportunistic acquisitions, and focus on new product launches position it well to deliver robust sales and adjusted EBITDA.

Further, higher penetration of e-commerce, crypto demand, and its entry into high-growth verticals bode well for growth. Also, customer acquisitions, high retention rate, increased revenue from existing customers, and the addition of multiple new alternative payment methods will drive its financial and operating performance.

Its volume and revenue are expected to grow at a CAGR of more than 30% in the medium term, which is encouraging and should [drive its stock price](#) higher.

## Dye & Durham

Dye & Durham stock has corrected quite a lot, providing a solid entry for long-term investors. Due to the recent decline in its price, Dye & Durham stock is trading at a forward EV/sales ratio of 4.2, which is much below its historical average.

While its stock has corrected significantly, it continues to grow its revenues and adjusted EBITDA rapidly. Benefits from acquisitions, a solid customer base, and economic recovery are expected to fuel growth at Dye & Durham.

Moreover, a strong balance sheet, geographic expansion, and new partnerships will likely support its growth.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

1. NASDAQ:NVEI (Nuvei Corporation)
2. NYSE:LSPD (Lightspeed Commerce)
3. TSX:DND (Dye & Durham Limited)
4. TSX:LSPD (Lightspeed Commerce)
5. TSX:NVEI (Nuvei Corporation)

### PARTNER-FEEDS

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