TFSA Investors: Double Your Investments With These 3 Top Growth Stocks

Description

The Tax-Free Savings Account (TFSA) is an excellent investment vehicle that the Canadian government initiated in 2009 to motivate its citizens to save more. It allows investors to earn tax-free returns on investments up to a specified amount called contribution room. For this year, the contribution room stands at $6,000. Meanwhile, the cumulative amount stands at $81,500.

If you have not maximized your limit, here are three tech stocks you can add to your TFSA, given their growth potential and discounted stock prices.

WELL Health Technologies

WELL Health Technologies (TSX:WELL), a technology-enabled healthcare company, is my first pick. Amid the weakness in growth stocks, the company has lost 64% of its stock value compared to its 52-week high. However, the company's financials are growing at a healthier rate. In the first quarter, the company's top line grew by 395% while generating adjusted net profits of $8.6 million.

Further, the company has set the stage for solid second-quarter performance, with record revenue in May. For the month, its omnichannel patient visits have increased by 40%. Supported by its acquisition of Circle Medical and Wisp, the company's virtual business in the U.S. is growing at an impressive rate. Further, the company has announced to accelerate its M&A activities. Yesterday, it signed an agreement to acquire INLIV, which could expand its omnichannel network in Alberta.

Given its growth prospects, strong financials, and discounted stock price, I am bullish on WELL Health Technologies.

Nuvei

Nuvei (TSX:NVEI)(NASDAQ:NVEI) provides next-generation digital payment solutions to customers. The company's modular, flexible and scalable platform supports over 150 currencies and 550 alternative payment methods while operating in over 200 markets. With the growth in e-commerce, more people are adopting digital payments, expanding the addressable market for the company.

Nuvei continues to expand its customer base and wallet share with existing customers through geographical expansions and innovative offerings. The company also serves regulated online betting operators. Amid rising legalization, Nuvei has expanded its operations to 10 states in the United States and Ontario. So, its growth prospects look healthy.

However, amid the recent selloff in growth stocks and a short report from Spruce Capital Management, Nuvei has lost over 70% of its stock value compared to its 52-week highs. The selloff has dragged its NTM price-to-earnings down to 17.2, making it an attractive buy.

Docebo

Docebo (TSX:DCBO)(NASDAQ:DCBO) is another stock that has witnessed a substantial selloff over the last few months, with its stock price falling around 60%from its September highs. The expectation of growth slowing down amid the reopening of the economy, the concerns over high valuation, and multiple interest rate hikes appear to have dragged the company's stock down. Amid the steep pullback, the company's NTM price-to-sales multiple has declined to 5.5.

Meanwhile, the adoption of e-learning solutions is growing due to their cost-effectiveness and convenience. Given its AI-based, highly configurable e-learning platform, the company is well equipped to benefit from the expansion of its addressable market. The company's growing customer base, increasing average revenue per customer, and recurring revenue augur well with its growth. So, given its growth potential and attractive valuation, I expect Docebo would be an excellent buy at these levels.

Bottom line

Although these three companies could witness volatility in the near term, their long-term growth prospects look healthy. So, TFSA investors can start accumulating these stocks to earn a substantial tax free return in the long run.

CATEGORY

1. Investing
2. Tech Stocks

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1. NASDAQ:DCBO (Docebo Inc.)
2. NASDAQ:NVEI (Nuvei Corporation)
3. TSX:DCBO (Docebo Inc.)
4. TSX:NVEI (Nuvei Corporation)
5. TSX:WELL (WELL Health Technologies Corp.)

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