TFSA Cash: Turn a $6000 Annual Contribution to $140,000 by 2032

Description

For TFSA investors willing to multiply their cash over time, now is an opportune time to invest in some of the best Canadian stocks at a reasonable price.

Assuming one invests $6,000 (current TFSA annual contribution dollar limit) per year in some of the top TSX stocks with the potential to deliver average annual returns of 15%, investors can see their investment grow to $140,000 by 2032.

Against this backdrop, here are my top two picks that have a solid potential to deliver an average annual return of 15% or more over the next decade.

goeasy

The reason for choosing **goeasy** (TSX:GSY) stock is its stellar returns and solid growth prospects. For context, goeasy stock has appreciated by over 354% in five years. This indicates that goeasy stock, on average, has delivered annual returns of more than 35%.

The appreciation in goeasy's stock price is backed by the double-digit growth in its revenue and net income. Notably, goeasy's top line has grown at a CAGR of 16% since 2011. Meanwhile, its adjusted net income has increased at a CAGR of 29% during the same period.

goeasy has multiplied its shareholders' wealth in the past. Meanwhile, the ongoing momentum in its business and robust growth prospects suggest that it could deliver stellar returns over the next decade. This financial services company has evolved into a one-stop shop for non-prime customers for all their credit needs, providing diversification to support growth.

Its broad product range, new product launches, multi-channel offerings, geographic expansion, and increased penetration of secured loans bode well for growth. Meanwhile, higher loan originations, growing average loan size, solid repayment volumes, and operating leverage will likely accelerate its revenue and earnings growth.

goeasy stock has witnessed a pullback that provides a solid buying opportunity for TFSA investors. Meanwhile, goeasy also pays a robust dividend and has been increasing it at a CAGR of 34.5%. Given its solid earnings base, goeasy will likely enhance its shareholders' value through higher dividend payments in the coming years.

Cargojet

Cargojet (TSX:CJT) stock has consistently created significant wealth for its shareholders. Moreover, it has been beating the TSX by a wide margin. Notably, Cargojet stock has grown at a CAGR of 24% in the last five years, which makes it tempting.

It offers time-sensitive air cargo services and benefits from steady demand. Meanwhile, its market-leading position and next-day delivery capabilities accelerate its growth. Further, its high customer retention, fuel-efficient fleet, long-term contracts, and ability to pass on costs to its customers are positives.

While its domestic business remains strong, opportunities in the international market augur well for growth. Further, increasing penetration of e-commerce and Cargojet's long-term agreement with DHL provide a multi-year growth platform for Cargojet. Also, Cargojet is reducing debt, optimizing costs, strategically increasing its fleet size, and focusing on driving average daily volumes, which will likely support its financials and stock price.

Bottom Line

These Canadian companies have been consistently and briskly growing their top and bottom line. Moreover, their multiple growth catalysts and market-leading position will support their financials and stock price in the coming years. Also, both these shares have witnessed a correction, providing a solid entry for investors looking to build significant wealth over the next decade.

CATEGORY

1. Investing
2. Top TSX Stocks

TICKERS GLOBAL

1. TSX:CJT (Cargojet Inc.)
2. TSX:GSY (goeasy Ltd.)

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