



## 3 Canadian Growth Stocks for Your TFSA

### Description

Supported by solid quarterly earnings and easing fears of a recession, the **S&P/TSX Composite Index** has increased by 11% from last month's lows and trades 9% lower than its all-time highs. Amid improving investor sentiments, here are three top high-growth Canadian stocks you can add to your [TFSA](#) (tax-free savings account).

### Cargojet

My first pick would be **Cargojet** ([TSX:CJT](#)). The Canadian cargo airline company has delivered an impressive return of around 2400% over the last 10 years at a CAGR (compounded annual growth rate) of 38%. Last month, it reported a solid Q2 performance, with its top-line growing by 43.3%. Meanwhile, its adjusted EBITDA (earnings before interest, tax, depreciation, and amortization) has increased by 20.3%. The growth in revenue from its domestic network, AMCI (aircraft, crew, maintenance, and insurance), and all-in charter segments drove its revenue.

Further, Cargojet's long-term growth potential remains intact, given the secular shift towards online shopping. To meet the growing demand, the company plans to expand its aircraft fleet from 34 to 50 by the end of 2024. Many of its clients have signed long-term agreements, guaranteeing space and weight allocation that provide revenue stability. Cargojet trades at an attractive NTM (next 12 months) [price-to-earnings](#) multiple of 21, while its dividend yield for the next 12 months stands at 0.8%. So, considering all these factors, I believe Cargojet could add some long-term growth to a TFSA.

### Algonquin Power & Utilities

Second on my list would be **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)), which has returned over 350% in the last 10 years to stockholders at a CAGR of around 16%. The company's solid fundamentals and strategic acquisitions appear to have driven its financials and stock price. Meanwhile, it posted second-quarter performance last week, with its revenue and adjusted EBITDA growing by 18%.

Further, the growing transition towards clean energy has created long-term growth potential for Algonquin Power & Utilities. Allied Market Research projects the global renewable energy market to grow at a CAGR of 8.4% from 2021 to 2030. To capture this growth, the company's management plans to invest around US\$12.4 billion from 2022–26. The management has allocated 30% of these investments to the renewable energy space and the remaining to low-risk utility businesses. So, given its growth potential, I expect the uptrend in the company's stock price to continue. AQN also pays quarterly dividends, with a yield at an attractive 5%.

## Nuvei

My final pick would be **Nuvei** ([TSX:NVEI](#))([NASDAQ:NVEI](#)), which has witnessed some buying over the last few days. The stock is trading 20% higher than last month's low amid solid Q2 performance and improving investor sentiments. The global payment solutions provider for businesses saw volumes increase 38% to \$30.1 billion, with e-commerce forming 87% of its total volume. The higher demand drove revenue and adjusted EBITDA up by 43% and 40%, respectively.

Meanwhile, the growth in digital payments has created long-term growth potential for the company, which currently supports over 570 APMs (alternative payment methods) in more than 200 markets. New product launches, expansion of its payment offerings to new markets, and growth of its APM portfolio could drive its financials in the coming years. Nuvei's management expects its total volumes and revenue to grow at a CAGR of 30% in the medium term. This growth could push the adjusted EBITDA margin across 50% in the long run. Given its healthy growth prospects and a discounted stock price, I believe Nuvei would be a worthwhile addition to your TFSA account.

### CATEGORY

1. Investing
2. Top TSX Stocks

### TICKERS GLOBAL

1. NASDAQ:NVEI (Nuvei Corporation)
2. NYSE:AQN (Algonquin Power & Utilities Corp.)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:CJT (Cargojet Inc.)
5. TSX:NVEI (Nuvei Corporation)

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