



Want Financial Freedom? 2 Stocks Are All You Need!

Description

Everyone wants to achieve financial freedom, but very few people have the know-how and resources to do so. In this article, I will delve into two **TSX** stocks that offer the potential for capital gains and dividends.

Goodfood Market

Goodfood ([TSX:FOOD](#)) is a Canadian meal kit company domiciled in Montreal. Subscribers have the option of selecting recipes online and choosing the frequency and quantity of the delivery. Founded in 2014, the company has grown its subscriber count exponentially year over year and reported 230,000 subscribers as at November 30, 2019.

The reason I like Goodfood is because of its business model and its [financial wherewithal](#). As society becomes increasingly busy, people are looking for ways to reduce the time it takes to do day-to-day tasks such as cooking, cleaning, and shopping. With the invention of the **iRobot** for cleaning, and the likes of **Amazon** and **Metro** for household and grocery delivery, Goodfood fills the need for a simplified approach to cooking delivered to your door.

Goodfood's financials are supportive of my bullish position with a growth in revenues from \$20 million in fiscal 2017 to \$161 million in fiscal 2019 (compounded annual growth rate of 100%). Evidently, the company is losing money, with a \$21 million loss in fiscal 2019; however, this is not unusual for companies in the growth phase of the business cycle. I firmly believe that Goodfood is on a path to profitability and encourage investors to consider the company as a growth investment.

Bank of Montreal

BMO ([TSX:BMO](#))([NYSE:BMO](#)) is a diversified financial services provider domiciled in Montreal, Quebec. It provides a range of services, including personal and commercial banking, wealth management, and investment banking products and services. As at fiscal year-end 2019, the bank reported assets of \$852 billion.

The reason why I like Bank of Montreal the most out of the Big Five Canadian banks is its valuation. I [recently wrote an article](#) on BMO, raving about its intrinsic price. At the time of writing, BMO was trading at \$100.52 compared to its intrinsic value of \$176.08. Based on the model I used, I believe BMO is undervalued by 76%.

Aside from its potential for capital gains, the real value of BMO is its dividend yield at 4.08%. In the investing world, it is widely regarded that banks are some of the safest equity investments on the stock market. This is true. Investors that buy shares of BMO for its dividend can rest assured that the bank will continue to pay dividends, even during financially challenging years.

Foolish takeaway

So, there you have it, folks: two strong TSX stocks to add to your TFSA or RRSP portfolio. Goodfood is new to the TSX, but there is every indication that as it continues to grow, its subscriber count and increase revenues, it will eventually deliver generous returns to shareholders. BMO is a TSX veteran and its history of paying dividends should give investors assurance that future dividends will be honoured.

Goodfood and BMO make a very good pair, as Goodfood is a growth stock that has the potential to offer triple-digit returns, while BMO is a steady stock that provides investors income for as long as it is held.

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