



## Introducing Storage Vault Canada Inc.

### Description

I'm always looking for the next great opportunity. The next under-covered gem to look at is **Storage Vault Canada Inc.** (TSXV:SVI). Although it's listed on the venture exchange, the company has a market capitalization no less than \$650 million.

In the business of self-storage, anyone who has ever needed to use a storage facility understands what a hassle it is to show up with a truck and unpack it into the small locker as tightly as possible.

Storage Vault Canada delivers a huge container right into your driveway that you can fill at your leisure with the belongings you want to store. Once completed, you simply contact the company, and the container is picked up from your driveway and put into storage.

While this offering is a godsend to some, investors purchasing shares of the company have the opportunity to invest in an outfit with consistent, reoccurring revenues and expenses. With any luck, the demand for self-storage will continue to increase, and with the increased demand will come an increase in rates.

Translation: investors will be rewarded.

Investors looking at this company as an opportunity need to ask themselves: "What am I giving (paying) and what am I getting?"

In this case, investors will receive a defensive company with a beta of 0.80 and an excellent track record of profitable growth. Currently, the dividend is no better than a penny per year, translating to an annual yield of less than 1%. It would seem the company is still growing at a significant rate and retaining all earnings in order to do so. Dividend investors may not like this name.

While the storage business often offers the opportunity to purchase securities that trade very close to tangible book value and a juicy dividend as icing on the cake, Storage Vault Canada seems to do none of these things.

Currently, shares of the company trade at four times tangible book value and do not offer an above-

average dividend yield. Investors are clearly paying for potential with the hope the company will be able to deliver growth in earnings and dividends over the long term.

While this company has seen a clear rise in the share price over the past year, the truth is, investors need to consider this stock in comparison to the others available in the open market. Storage Vault Canada makes it to the top of my watch list. That's about it.

## CATEGORY

1. Dividend Stocks
2. Investing

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