



The Best Growth Stock on the TSXV Is Now a Conviction Buy

Description

It's easy to dismiss **StorageVault Canada** (TSXV:SVI) as a company that's unworthy of your portfolio because of the exchange it trades on. Yes, the **TSX Venture Exchange** is full of penny stocks and trash investments that lack fundamentals and are "all talk, no walk."

While it's typically a good idea for beginner investors to steer clear of the TSXV, those who are willing to put in the homework may be able to uncover potential multi-baggers buried beneath the mounds of dirt.

StorageVault is one of these gems that have been unfairly passed on by most investors, and as one of the best stocks on the TSXV, I think the name is worthy of every [growth-savvy](#) Canadian investor's radar at this juncture. The company is growing pretty quickly, and although shares are in a period of consolidation, it's likely just a matter of time before the stock breaks out, potentially regaining enough traction to warrant its graduation onto the TSX.

As a growth business with a wonderful management team and promising long-term prospects, it remains a mystery as to why the stock hasn't made the jump onto the TSX yet. When it does, however, I do believe mainstream analysts will begin to show the stock more love, but by then, the price of admission would have already risen by a considerable amount.

Fellow Fool contributor Will Ashworth once [referred](#) to StorageVault a "real estate company dressed up as a self-storage business," and I think he's right on the money.

I'd like to take it a step further by calling the company an extremely reliable and fast-growing generator of operating cash flow that's disguised as a speculative penny stock because the company trades on the TSXV.

The TSXV gets a pretty bad rap, and while there are value traps and pitfalls dispersed across the TSXV, one should think of the TSXV, not as a casino, but as an exchange that should come with a warning label for beginners who may not know where to focus their attention (and investment dollars).

Sure, there are plenty of unsavoury TSXV-traded investments out there, but the same can be said of

the TSX or NYSE. The smaller-cap nature of TSXV constituents just increases the probability of capturing a bust, but if you're seasoned enough to tell the difference between the boulders, and diamonds, you could stand to gain a ton of wealth.

Foolish takeaway on StorageVault

StorageVault is an under-the-radar name with solid fundamentals, major multi-year secular tailwinds, and a high growth ceiling.

The stock is trading at a huge discount to its intrinsic value given that the name trades at a mere 23 times forward earnings for the massive double-digit top-line growth numbers that can be expected moving forward. When you consider the lower risk nature (and stability) of the business, considering the name as a growth REIT rather than a speculative venture stock, the investment thesis makes a heck of a lot more sense.

Plain and simple, StorageVault is an oxymoron of a stock. It may seem like a speculative venture play, but ironically, it's actually one of the more stable growth businesses out there when you consider the company's REIT-like nature, as Ashworth pointed out.

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Author

joefrenette

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