



A Top TSXV Index Stock Under \$3 to Buy Right Now

Description

I don't normally recommend stocks on the TSX Venture Exchange (TSXV) because it's littered with sub-par penny stocks that are lacking in substance. If you've got the time to do the homework and the patience to dig around the TSXV, though, you might be able to uncover some pretty nice hidden gems that could lead to outsized results over time.

One of the gems I'm about to bring to your attention has a stock that trades at just \$2 and change. Although it seems like a dangerous penny stock, I believe the company stands head and shoulders (and possibly elbows) above its micro- to small-cap peers on the TSXV.

Enter **StorageVault Canada** (TSXV:SVI), a wonderful business with a long growth runway and a level of stability that's incomparable to most other "penny stocks" that I wouldn't advocate touching with a barge pole.

While a stock trading at \$2 and change may seem like a dangerously risky bet that could exhibit stomach-churning amounts of volatility, StorageVault is actually a fairly established name with its \$1.05 billion market cap at the time of writing. As to why the company hasn't left the TSXV for the TSX is anyone's guess, but if you're willing to forgive the firm's exchange, I think there are substantial rewards to be had over the long term.

As you may have guessed from the firm's name, StorageVault is a firm that's engaged in the Canadian self-storage industry — a booming field that's experiencing long-term secular tailwinds known as "the four Ds," as I outlined in a [prior piece](#). Yes, self-storage is boring, but it's a necessary (and stable) business that's more stable than most of the names that trade on the TSX.

In the U.S., there are established self-storage behemoths that pay out handsome dividend yields. While the U.S. self-storage market is still slated to enjoy the fruit of the tailwinds, the market itself isn't as compelling an opportunity as up north.

The Canadian self-storage scene appears more fragmented, and with StorageVault looking to consolidate the space, driving considerable synergies through its acquisitions, I see ample room for the M&A star to continue growing its revenues over the long haul (nearly 40% in annual top-line growth

over the last five years). Add soaring demand for [real estate for “stuff”](#) and I see the potential for uptrending margins as the self-storage tailwinds work their way into the results.

Will Ashworth called StorageVault the best stock on the TSXV, and I’d have to agree wholeheartedly. StorageVault is essentially a “REIT for your stuff,” so the firm’s stock doesn’t fit the traditional mould of a “penny stock.” As shares look to break out after consolidating for years, I’d look to initiate a position here, before the name gets more attention from the investors on main street.

Stay hungry. Stay Foolish.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:SVI (StorageVault Canada Inc.)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Investing

Date

2025/07/25

Date Created

2019/07/03

Author

joefrenette

default watermark

default watermark