



Millennial Investors: 1 Risky Stock That Could Reap Huge Rewards

Description

If you're about to retire, the last thing you want to do is take on pretty much any sign of risk in your portfolio. But if you're a bit younger, it can be both exciting and motivating to find stocks that, while risky, also have the potential to soar in the years and decades to come.

Without a retirement deadline looming above you, some risk can be beneficial for your portfolio.

Look at marijuana stocks. This entire industry has taken young investors and millennials in particular, by storm. It's renewed a generation that was wary of investing.

Rather than talk about marijuana today, I'm looking at another risky stock: **SNC-Lavalin Group Inc.** (TSX:SNC).

If you haven't been [paying attention lately](#), the Montreal-based engineering firm has hit headlines for all the wrong reasons lately. The company has repeatedly been accused of bribery and corruption, with the RCMP charging the firm with corruption by in February over its operations in Libya 20 years ago.

It isn't just overseas, however. Back in Canada, after the introduction of a deferred prosecution agreement for companies accused of past criminal activity, the company was accused of "putting pressure" on the government when deciding SNC-Lavalin's case.

Should the company be convicted, they would be delisted from being able to bid on Canadian projects for 10 years.

This led to the resignation of CEO Neil Bruce, and threatens the company's ability to win overseas contracts as well. So far, not so good.

But here lies the opportunity for investors willing to wait it out. The company has been signed on for a number of projects over the next few years, and while the stock may be down its earnings certainly haven't been. In fact, it could be years before the company feels the pressure from the "affair."

Meanwhile, SNC has been taken over by a management seeking – well, *needing* – to redeem the

company image. They understand that the company is under a microscope, and any sign of corruption, bribery, poor paperwork, anything will send the few shareholders they have running for the hills.

Therefore, investors can be sure the company is doing everything in its power to redeem its image and do things (hopefully) by the book.

So there are a few options for future shareholders: buy now and hold your breath through the turbulent times ahead, or wait for the final conviction over the company's past problems.

Now, you might think there's an obvious choice, but the company has a backlog of successful acquisitions that will both bring in cash and hopefully confidence from investors. It could also mean a way to pay out the likely large price tag that comes from the courts.

Foolish takeaway

In the last year, SNC-Lavalin has been beaten down, trading at \$57 per share a year ago to come crashing to where it is now around \$27 per share as of writing.

While it's true that number could go down even further, analysts are a bit more [optimistic](#), and believe the stock is now undervalued.

In fact, in the next year alone, analysts believe the stock could rise right back up again to around \$50 per share, especially if earnings results come in demonstrating the company's strength, and doubling today's investment.

Really, all management has to do is prove to shareholders they are playing by the rules. That, coupled with already strong earnings, should get this stock right back on track.

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