



## Revealed: These 2 Growth Stocks Could Be 1,000% Higher in 10 Years

### Description

Many investors don't understand just how one big winner can impact a whole portfolio.

Say you own 10 stocks equally over the course of a year. One of the stocks doubles, but the remaining nine do absolutely nothing. That's still good enough for a 10% total return, which is a solid result.

Let's go one step further. One of your stocks goes up 1,000% over the course of a decade, which is enough to turn a \$5 stock into one worth \$50. The rest of the portfolio again does nothing. That's still enough for a total return of just over 7% for the whole portfolio.

That might not be very impressive on the surface, but it is once we dig a little more into the numbers. A portfolio where 90% of the constituents do absolutely nothing for a decade would be a disaster. Yet all it took was one great stock to drag the whole portfolio to a respectable result.

Identifying these [kinds of stocks](#) isn't easy, of course. But there are certain things they tend to have in common, including big growth potential, smart management teams, and the ability to get investors excited about the future.

Let's take a closer look at two stocks that could rocket much higher over the next decade.

### goeasy

**goeasy** ([TSX:GSY](#)) is an alternative lender specializing in unsecured loans to folks unable to qualify at a traditional bank. Thanks to various factors — including the decline of the traditional payday loan industry — goeasy has increased both its top and bottom lines significantly over the last decade.

Despite just recently passing \$1 billion in loans originated, it's easy to argue goeasy is just getting started. The company has barely cracked the total Canadian non-prime loan market, which it figures is a \$223 billion opportunity. Possible expansion options include vehicle loans, second mortgages, and further expanding its online presence. Moving into the United States is also a possibility.

Despite excellent growth potential, outstanding results, and great underlying financial metrics — like the company's robust 24% return on equity — goeasy shares still trade at a low forward price-to-earnings multiple. As I type this, shares trade hands for \$60 each. Analysts predict the company will earn \$6.95 per share next year. That gives shares a forward P/E ratio of just 8.6 times.

I can easily see the P/E ratio doubling from here, which would be a big step towards 1,000% returns in 10 years.

## Village Farms

**Village Farms** (TSX:VFF)([NASDAQ:VFF](#)) recently made the decision to convert its greenhouses from growing vegetables to marijuana, a move that has the potential to transform the firm into a real powerhouse.

The company has numerous advantages over other marijuana growers. It already owns some of North America's best greenhouses, including a state-of-the-art facility in Texas that will transition to marijuana once it's legal in the U.S. It has expert growers on staff; there's no need to hire an army of new workers. And it has low-cost production — something that will help it out if marijuana prices see downward pressure.

By the time the company scales up all of its British Columbia-based production, it'll be able to produce some 150,000 kg of marijuana each year. That should be enough to make it a top-five producer in the sector.

As the rest of the marijuana sector continues to [melt down](#), investors will be drawn to the stability Village Farms offers. It doesn't need to issue stock or beg for debt to expand. It can do so using internal cash flow. And the company has been steadily profitable throughout 2019 — something that immediately puts it head and shoulders above its competition.

## The bottom line

There's no guarantee goeasy or Village Farms shares can increase by 1,000% over the next decade, of course. But both these companies have qualities that make such a move more likely, including a long growth runway, management who are focused on expansion, and underlying industries that look ripe for consolidation.

If you're looking for the kind of return that can really make a difference, start here.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NASDAQ:VFF (Village Farms International, Inc.)
2. TSX:GSY (goeasy Ltd.)

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