



2 2019 Venture Graduates to Outperform the Market in 2020

Description

Up-and-coming stocks that just recently graduated from the TSX Venture Exchange offer investors some of the best growth opportunities and chances to get in on the name before it becomes widely known while trading on the TSX.

Another thing that these names come with, is a lot of momentum, with the share prices seeing major increases, which is what allows them to graduate from the Venture Exchange in the first place.

The TSX Venture 50 list is the ideal place to find these stocks before they graduate, as it's a list of some of the highest potential companies listed on the Venture Exchange.

Both these two stocks were on the 2019 Venture 50 list and graduated during the year to the TSX, where they have kept up their strong operating performance.

The two 2019 venture grads that will have huge upside going into 2020 are **OrganiGram Holdings Inc** ([TSX:OGI](#))([NASDAQ:OGI](#)) and **Pro Real Estate Investment Trust** ([TSX:PRV.UN](#)).

OrganiGram

OrganiGram has had a great couple of years building up its strong and low-cost model of cannabis cultivation.

Despite its stock trading just off its 52-week low, due to the entire cannabis market being highly volatile and losing a lot of confidence from investors, OrganiGram has still grown its business considerably in 2019.

It graduated in April and was on quite the rally before the entire sector began to get sold off, bring OrganiGram back down to bargain prices.

Today, its market cap is just over \$500 million, extremely cheap for one of the top cannabis cultivators in the country.

Its high-quality and high-tech growing facility has been a major differentiator for OrganiGram, and will continue to help the company to produce high-quality cannabis at some of the lowest costs in the country.

The stock is clearly undervalued though and many analysts have it rated as a consensus buy, with a one-year consensus target price of roughly \$5.50, a 60% increase from its current trading price.

The company has been very well run since day one, which has played a major part in leading it to be one of the best-positioned cannabis companies to reach [profitability](#) in 2020.

Pro REIT

Pro REIT is a diversified commercial REIT with properties that span the country. Roughly 40% of its portfolio's revenue comes from retail, 26% comes from mixed use, 21% from industrial and the last 13% coming from its office properties.

Its portfolio is well diversified across all the provinces, with its largest share of properties located in New Brunswick.

The company's two main goals are to produce growing returns that are stable and to grow unitholder value.

In the last five years it has more than tripled its properties and more than quadrupled its gross leasable area, now with more than 4.4 million square feet.

This has represented a 56% compounded annual growth rate (CAGR) in its leasable area since 2013, which has driven a 91% CAGR in its revenue over the same period.

Over the last year it has improved its financial position and increased its interest coverage ratio. Its payout ratio also increased slightly, and is now sitting at roughly 110% of its adjusted funds from operations.

This isn't too much of a worry yet as the company has been growing its business rapidly. Plus, the dividend yields a whopping 8.6% in the meantime.

Bottom line

Both companies have been on multi-year growth streaks and have the backing of strong management to lead them on their next chapter of growth and continue to beat the market.

CATEGORY

1. Cannabis Stocks
2. Dividend Stocks

3. Investing
4. Stocks for Beginners

TICKERS GLOBAL

1. NASDAQ:OGI (OrganiGram)
2. TSX:OGI (OrganiGram)
3. TSX:PRV.UN (Pro Real Estate Investment Trust)

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Date

2025/08/28

Date Created

2019/12/25

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