

2 Powerful TSX Venture Exchange Stocks

Description

The venture exchange is like a wild, rowdy brother of the elder, more mature, and established TSX. And it's reasonably understandable why it doesn't get as much attention as the leading stock exchange. Most retail investors that are interested in well-established blue-chip companies stick with the main stock exchange, where most of the large-cap businesses trade.

And when investors do turn to the venture exchange, it's either seeking penny stocks or stocks that offer an enticing cocktail of risk and growth. But that's not the only thing the junior exchange has to offer.

A storage company

StorageVault Canada (TSXV:SVI) is a 13-year-old company that owns, operates, and leases out selfstorage units. The company is focused on acquiring and growing storage units in desirable locations and currently owns and manages storage units covering eight million sq. ft. of space. The company started out in 2007 but really <u>gained momentum</u> in 2015, with a management overhaul.

Since then, the company has been steadily growing its portfolio, and now owns about 199 stores. The company currently has a market cap of \$1.36 billion and an enterprise value of \$2.5 billion. And for the last three years, it has also started paying dividends to its investors. The company has grown its revenue by 40% since 2018.

But the part investors like you would be most interested in is <u>the growth</u>. Currently, the company is trading at a pittance of \$3.74 per share. And this is the result of 125% (dividend-adjusted) growth in the past three years, bringing its three-year CAGR to a lucrative number of 31%. With the growth numbers and the market asset value of the company, it might join the senior league soon.

A "people's" company

People Corp. (TSXV:PEO) is a national company that provides HR, group benefits, individual benefits,

and retirement solutions to businesses. As the name suggests, the company is built upon the core value of improving the lives of people and claims to have made a difference in the lives of about a million Canadians. The company was founded in 2006.

As a management consultant company, People has acquired a decent collection of partner firms. The company itself is comprised of over 900 professionals. The current market value of the venture exchange company is \$692 million.

Whether it's the company's commitment to value humans or just a smart management team, People Corp. has grown like clockwork in the past five years. Its current market value of \$10.14 per share is the result of a 217% growth and an impressive five-year CAGR of 26%. Looking at its price-toearnings, the company seems highly overpriced at the moment, but its growth might be worth the extra dollars.

Foolish takeaway

Finding diamonds in the rough in the small venture exchange is certainly possible if you look hard enough. But just like investing in any other company, you have to analyze the fundamentals and future prospects of the company, especially when you are looking into growth stocks. default waterma

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