Venture Exchange: 3 Low-Hanging Ripe Fruits (Growth Stocks)

Description

A storm doesn't discriminate between big and small; it hits everyone equally. This is particularly true if you take a look at the senior and junior stock exchange right now. Just as the **TSX** has come down with coronavirus, TSXV has also started showing symptoms.

During the market crash, many small businesses are hit worse than the large players. The reason for that is simple. They usually don't have the resources and reserves to stay standing when the storm bears down on them. On the bright side, however, they're relatively more agile.

And if the management is smart and the business model is stable, many small companies can get back and start growing just as fast as they were before the crash.

A safety company

Lone worker monitoring is a relatively small niche within the safety business. It pertains to the safety, security, communication, and assistance of lone workers who might have to work in dangerous conditions. **Blackline Safety** (TSXV:BLN) caters to these needs.

The company's products include wireless gas detectors, area monitors, and communication devices. The products are backed and connected to a monitoring system.

The company has been hanging around the venture capital for more than a decade now. While it's not an aggressively growing company, it's steady and relatively less volatile. The stock price fell by almost 45% during the crash, and it's currently trading at $4 per share. This $192 million market cap company showed returns of 90% in the past five years.

A precious metal company

Metalla Royalty & Streaming (TSXV:MTA) is a precious metal acquisition and streaming company. It doesn't take part in the mining process, per se. Instead, the company acquires royalties in precious metal streams. It has been building its portfolio for some time now. From 2018, it has also started paying dividends to its shareholders.

The stock practically stock lined in 2016, but then began rising. In the past five years, it grew well over 1200%. Currently, the company is trading at a steep 30% discount, which equates to a price of $5.7 per share at writing.

A purification company

Xebec Adsorption (TSXV:XBC) develops, builds, and sells natural gas purification systems. The company's vision is "A world powered by clean energy." Purification and cleaning have been an integral part of the gas procession for several decades now, the awareness and importance of it have enhanced in the past decade. People are now becoming more concerned about the environment than the prices.

The company has been on the Venture Capital Index since 2004, and in its glory days, it traded as high as $16.8 per share. But the years between 2008 and 2017 didn't go well for the stock, to say the least.

In the past five years, the company has literally risen from the ashes and started providing magnificent returns to its investors.

The five-year returns are almost 4,000%. Currently, the company is trading at half of what it was trading before the crash, at $2 per share.

Foolish takeaway

Penny growth stocks, especially when they are trading on the junior exchange, appear relatively much riskier than companies trading on the main exchange.

But investors need to understand that not all venture capital companies are small-cap entrepreneurial startups that have only been around for a couple of years.

Many are well-established businesses that just haven't made the large leap yet. And you may still find decent companies with strong fundamentals in venture exchange.

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1. Dividend Stocks
2. Investing
3. Metals and Mining Stocks
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TICKERS GLOBAL

1. TSX:XBC (Xebec Adsorption Inc.)

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