



## 3 Risky Bets with Massive Upside Growth Potential

### Description

If you have an appetite for risk and can stay invested for a long period, here are three stocks that could rake in big profits.

### BlackBerry

Shares of **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) are down about 24% year to date as some of its end markets, primarily automotive, is disrupted due to the COVID-19 pandemic. However, shares of the AI-based security software and services provider offer massive upside, thanks to the growing global cybersecurity market. Besides, automotive, medical, industrial automation should further accelerate its growth.

Investors should note that its QNX segment, which was affected by global auto production shutdowns and project delays, has started to see signs of recovery. While the QNX is expected to witness gradual improvement, enterprise products, including security and productivity, are benefitting from the secular shift in remote work and crisis management.

BlackBerry's billings declined in the [most recent quarter](#). However, the rate of decline was lower than the revenue decline rate, implying an improvement in future revenues. Its annual recurring revenues and dollar-based retention rate remained high, while net customer churn rate was zero in the first quarter.

The rising COVID-19 cases could continue to remain a drag in the near-term, BlackBerry remains well-positioned to benefit from the improvement in its QNX segment and healthy operating metrics.

### Transcontinental

Shares of **Transcontinental** ([TSX:TCL.A](#)) recovered all of its losses and rose over 65% since hitting its low on March 23. Transcontinental's business took a hit from the outbreak of the pandemic. While its printing business faces short-term headwinds, its packaging products used in the food and

beverage industry continues to witness healthy demand.

Transcontinental's packaging segment supports the supply chain for food retailers, which implies that it could continue to witness steady organic volumes growth. Besides, the segment's profitability could increase due to organic sales growth and operational efficiency initiatives.

Investors should note that its printing business could continue to be impacted by the COVID-19 pandemic. However, it has started to see a gradual recovery in volumes. Besides, cost-cutting and operational efficiency are likely to mitigate the impact of volume declines. Moreover, capacity adjustments allow the company to continue to generate solid cash flows and operating margins.

Also, Transcontinental offers an attractive and high dividend yield of 5.7%.

## goeasy

**goeasy** ([TSX:GSY](#)) stock has risen about 231% post hitting its low in March. The strong recovery in its stock indicates the strength in its business and its ability to generate enormous returns for its investors.

The company offers leasing and lending services to sub-prime borrowers, which raises the concern of a default risk amid a high unemployment rate and weak economic data.

However, investors should note that its easyfinancial customers have much lower debt to income ratio and insurance protection, which is encouraging. Further, its average remaining loan term is less than four years, which reduces risk and supports free cash flows.

Barring the recent hiccups, goeasy's top and bottom line have grown at a double-digit rate in the past several quarters. Moreover, it has increased its dividends for six years in a row.

The company remains well positioned to grow its loan portfolio and boost shareholders' returns through higher dividends.

## Bottom line

Investors should note that the advantage of investing in these stocks is significant growth potential. Needless to emphasize, these stocks carry a fair amount of risk. Investors who can sacrifice stability and can stay invested for long [shouldn't miss out on these high growth stocks](#).

### CATEGORY

1. Bank Stocks
2. Coronavirus
3. Dividend Stocks
4. Tech Stocks

### TICKERS GLOBAL

1. NYSE:BB (BlackBerry)
2. TSX:BB (BlackBerry)

3. TSX:GSY (goeasy Ltd.)
4. TSX:TCL.A (Transcontinental Inc.)

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