



## This Under-\$10 TSX Index Newcomer Is Worth Loading Up on!

### Description

**StorageVault Canada** (TSXV:SVI), a Canadian self-storage company I previously described as the best company on the TSX Venture Exchange, is finally poised to graduate to the TSX Index, with conditional approval received from the exchange. And it's about time too for the \$2.4 billion company, which has grown by leaps and bounds over the last several years. If all goes according to plan, investors should expect common shares (and outstanding senior unsecured hybrid debentures) of the company to go live on the TSX Index on January 26, 2022.

Indeed, the mature self-storage company may be growing up. But with a Canadian self-storage market that's still quite fragmented, I think the days of solid gains aren't about to come to an end, just because the firm is leaving the venture exchange.

Undoubtedly, StorageVault is a high-growth name that deserves [respect](#), and I think it will get it as it moves on from the TSXV. The stock clocked in over 350% in returns over the past five years. While such results are less likely for the next five years, I think the name is capable of outpacing the broader TSX by a considerable amount. Indeed, StorageVault has the means to more than double over the next several years, with its relatively less-risky, long-term growth plan.

### A growth plan that Canadian investors can get behind

Fellow Fool contributor Robin Brown praised StorageVault as one of his top under-\$10 Canadian stocks for solid upside relative to risks taken on. The firm, which has done wonders in acquiring its way to growth, has let the results speak for themselves.

Robin noted that the company possessed "the scale, platform, and industry tailwinds to keep growing" and predicted that SVI would likely continue crushing the broader market indices "for many years to come," given the firm's prior top-line and AFFO (adjusted funds from operations) numbers, which consistently stayed in the high double digits.

I think Robin is right on the money. Although he views the stock as somewhat pricy at \$6 and change, I think the premium is well worth paying up for. Indeed, given broader market valuations are a tad [frothy](#),

StorageVault, by comparison, seems like a relatively good deal. At the time of writing, shares of SVI trades at over 12 times sales and over 41 times cash flow. Given the caliber of management you're getting and the high growth ceiling, StorageVault is arguably worth scooping up right here. Most analysts covering the name certainly seem to think so, with mostly Buy ratings on the stock.

## The bottom line

The safest growth stock on Canada's venture exchange is about to move on. Indeed, the REIT-like play is poised to become less of a hidden gem, as it continues its rise out of mid-cap territory on the nation's biggest exchange. Although I'd much prefer waiting for a pullback, I wouldn't be against nibbling into a starter position right now, before the company goes live on the TSX Index.

The firm has a lot going for it, and its growth is unlikely to stall as it moves up the ranks. As the company continues executing at the opportunity at hand, I think a \$10 billion market cap within the next 10 years isn't out of the question.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. TSX:SVI (StorageVault Canada Inc.)

### PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

### PP NOTIFY USER

1. joefrenette
2. kduncombe

### Category

1. Investing

### Date

2025/07/23

### Date Created

2021/12/09

### Author

joefrenette

default watermark