



Forget Bitcoin! 2 Cheap TSX Growth Stocks More Likely to Soar

Description

Bitcoin and cryptocurrencies are so out! If you're looking to enrich your portfolio, there are [far better places](#) to be in right now, and I don't mean those ridiculously expensive momentum stocks that have doubled and tripled from the depths of the coronavirus crash. I'm talking about overlooked growth stocks that are so [cheap](#) that they would appease to value investors.

Regardless of what ends up happening next with this crisis we find ourselves in; I think both names I'll introduce to you in this piece offer a good risk/reward trade-off for value-conscious growth investors who know that every investment is, indeed, a value investment.

Without further ado, consider the following two cheap **TSX** growth stocks that I think have a tonne of room to run over the next 10 years and beyond. Best of all, you won't need to break the bank.

GoodFood Market

GoodFood Market ([TSX:FOOD](#)) is a Canadian provider of meal-kit delivery services that's been picking up traction amid this pandemic, as people opt to get their food delivered, rather than run the risk of contracting COVID-19 in those narrow aisles at the local grocer.

As one of the few tech-leveraging firms that have been riding high on pandemic tailwinds, GoodFood stock is a terrific hedge if you're looking to protect yourself from another big wave of COVID-19 outbreaks.

At the same time, GoodFood Market is also in a spot to grow out of this pandemic, as management does everything within its power to build upon the recent pull-forward in subscriber growth (and frequency of orders per subscriber).

The company recently recorded a profit, and I think that's just the start of continued multi-year earnings growth, as the company keeps improving upon its margins while simultaneously enhancing its value proposition to its customer base.

Given GoodFood's tailwinds and that the company's in the early innings of its growth story, you'd think you'd have to pay a pie-in-the-sky multiple for the name. But that's simply not the case, even after the recent run in the stock. FOOD stock trades at a mere 1.7 times sales, which I find to be quite ridiculous, even taking into consideration the potential for post-pandemic churn.

Fire & Flower Holdings

Fire & Flower Holdings ([TSX:FAF](#)) is a little-known cannabis retailer that I believe could become a dominant player in the space over the next five years and beyond as it looks to expand across the country. The retailer is drawing upon the experiential factor. With a slew of new cannabis 2.0 products to get cannabis users excited, Fire & Flower is an enticing bet for any value-conscious investor, while shares trade at a mere 2.1 times sales.

What makes me a raging bull on Fire & Flower over the ever-crowding cannabis retail space is the fact that it has convenience store kingpin **Alimentation Couche-Tard** standing in its corner. It's not just Couche's vested interest in Fire & Flower or its deep pockets; it's the Couche-Tard's retail management expertise that could unlock substantial value over the long run.

Recently, Fire & Flower partnered with Couche-Tard as a part of a pilot project in the province of Alberta that will see Fire & Flower locations co-locate with select Couche-owned Circle K locations. The project could be a massive boon for Fire & Flower and send shares of the underrate cannabis retailer much higher over the next several years.

Foolish takeaway

Who says you need to pay 20 times sales for a company that's capable of incredible growth? GoodFood Market and Fire & Flower are wonderful growth businesses that are still little-known and are trading at valuations that seem more indicative of a no-growth stalwart!

If you're a long-term investor, I'd strongly consider having a look at both companies while they're still relatively unknown mid-caps.

CATEGORY

1. Investing
2. Stocks for Beginners

TICKERS GLOBAL

1. TSX:FAF (Fire & Flower)
2. TSX:FOOD (Goodfood Market)

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