



2 Top TSX Growth Stocks to Buy Amid Market Crash 2.0

Description

September has [never really been a great month](#) for the markets. After one of the best Augusts for the stock market in years, selling before September hit would have been a good idea. Fast forward to today, and the **Nasdaq** and **TSX Index** have both fallen back into correction territory, with both indices off around 10% from their all-time highs.

The Nasdaq, which broke through its pre-pandemic highs, is likely to continue leading the downward charge, as there are still pockets of overvaluation that have yet to be corrected. The [tech-light, value-heavy TSX Index](#), however, could still be dragged lower, but if we are in a market crash 2.0 and not just a garden-variety correction, staying local with your dip buys may prove to be the wiser idea.

This piece will have a look at two TSX growth stocks that I think are worthy of buying right here, regardless of whether we're in for a steep September crash or near the bottom of a healthy correction. So, without further ado, consider **Docebo** ([TSX:DCBO](#)) and **Goodfood Market** ([TSX:FOOD](#)), two hyper-growth mid-caps that aren't nearly as expensive as many of the mega-caps in the tech sector that are most vulnerable amid a market crash 2.0.

A market crash 2.0, high-risk buy: Docebo

Docebo is one of those frothy tech stocks that have more than tripled off its March lows. The stock traded at north of 20 times sales (that's sales, folks, not earnings!) at its peak and for good reason. The e-learning software developer was enjoying profound pandemic tailwinds, as clients have been scrambling to bolster their work-from-home (WFH) infrastructure amid COVID-19 quarantines.

Docebo's AI-leveraging cloud platform makes the transition to home-based workforces far less painful. Although pandemic tailwinds will inevitably fade, I think Docebo is a stock that will keep its sales growth momentum alive in a post-pandemic world.

The company serves an impressive list of clients. Most recently, it won over its most impressive client to date in **Amazon** Web Services. Big-league firms are taking notice of Docebo's value-adding platform amid this pandemic, and even after the WFH trend fades, the demand for Docebo's platform will likely

remain high, as I believe we're headed for a work-from-anywhere (WFA) type of world that will require both office space and effective WFH infrastructure.

Docebo may be vulnerable to amplified downside in a continued rotation out of sexy growth stocks. But if you're young and fearless, I'd look to keep buying Docebo on the way down, because its longer-term fundamentals have never been better, and its sky-high valuations, I believe, are justified by its incredible growth story.

A growth stock with a value price tag: Goodfood Market

GoodFood Market lost over 25% of its value in a matter of weeks. Like, Docebo, FOOD stock has been a high flyer amid the pandemic, more than quadrupling off its March lows. This sell-off is just a pause that investors should look to nibble away at. The meal-kit delivery kingpin has a solid position in the Canadian grocery delivery market. With the perfect blend of intuitive tech and grocery, shares of Goodfood are the perfect hedge against a worsening of this pandemic.

As COVID-19 headwinds fade, though, the stock could have more room to fall, as consumers reduce their weekly basket sizes or cancel their subscriptions altogether for financial reasons. Regardless, I find it tough to pass up a stock that's trading at under two times sales. The company recently clocked in a profit for the first time and is due to experience ample sales growth if we're due for more COVID-induced shutdowns.

While meal kits are too expensive for most in a recessionary environment, I find the company's gross margin trend encouraging and think the firm could take a margin hit to take share in the competitive Canadian meal-kit market. Still, churn could be a concern in a post-pandemic world, and the company could be due for severe expansion of its price-to-sales multiple should subscription cancellations come en masse.

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TICKERS GLOBAL

1. TSX:DCBO (Docebo Inc.)
2. TSX:FOOD (Goodfood Market)

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