4 High-Growth Canadian Stocks Available at a Discount

Description

Amid the concerns over their higher valuations and rising COVID-19 cases worldwide, technology stocks have witnessed a sharp pullback over the last few weeks. Meanwhile, here are four such companies that have corrected over 25% from their recent highs and offer excellent buying opportunities.

Docebo

Docebo (TSX:DCBO)(NASDAQ:DCBO), which provides highly configurable corporate e-learning solutions, has lost 32.4% of its stock value from its January highs. Meanwhile, the steep correction provides an excellent buying opportunity, given the expanding addressable market and its innovative product offerings, solid customer base, and rising average revenue per user.

Given its convenience and cost effectiveness, many businesses are adopting digital learning tools to upskill their employees amid the changing business environment. So, the demand for the company's service could sustain, even in the post-pandemic world also. Over the last five years, the company has more than doubled its customer base, while its average contract value has grown three times. Further, the company earns around 89% of its revenue from recurring sources, which is encouraging.

Kinaxis

Second on this list would be **Kinaxis** (TSX:KXS), which provides cloud-based supply chain management solutions to improve its clients' efficiency. Along with the weakness in the technology sector, the weaker-than-expected fourth-quarter performance has dragged the company's stock price down, which trades 31.7% lower than its 52-week high.

However, the improvement in economic activities and a structural shift towards online shopping could increase the demand for the company's products and services in the coming quarters. Meanwhile, Kinaxis, with its recent acquisitions and innovative products, is well equipped to benefit from the expanding addressable market share. It has enhanced its flagship platform, RapidResponse, by empowering it with AI-based capabilities. Given its healthy growth prospects and the correction in its stock price, I believe Kinaxis could deliver superior returns this year.

Goodfood Market

Goodfood Market (TSX:FOOD) is also trading 44.4% lower from its January highs. The steep decline in its stock price has dragged its forward price-to-sales multiple to an attractive level of 1.5. Meanwhile, earlier this month, the company has reported an impressive second-quarter performance. Its top line grew by 71%, while its adjusted EBITDA margin expanded by 5.5%.

Meanwhile, the demand for the company's services could sustain amid the secular shift towards online shopping. Further, its growing customer base, penetration into newer markets, expanded product offerings, and rising delivery speed augur well with its growth prospects. So, I believe the steep correction provides an excellent entry point for long-term investors.

WELL Health

WELL Health Technologies (TSX:WELL), which focuses on providing omnichannel healthcare services across North America, is my final pick. The demand for telehealthcare services is rising given their accessibility, convenience, and cost effectiveness. So, the demand for WELL Health's services could sustain.

Further, the company is looking to aggressively expanding its geographical footprint through acquisitions. It is currently working on closing the recently announced acquisitions of **CRH Medical** and **Intrahealth Systems**. These acquisitions could drive the company's annual revenue to above $300 million. Meanwhile, the company has also raised around $300 million in February, supporting its future acquisitions. Amid the recent sell-off in tech stocks, the company is trading close to 28% lower from its February highs. So, I believe investors should utilize this correction to accumulate the stock to earn higher returns.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:DCBO (Docebo Inc.)
2. TSX:DCBO (Docebo Inc.)
3. TSX:FOOD (Goodfood Market)
4. TSX:KXS (Kinaxis Inc.)
5. TSX:WELL (WELL Health Technologies Corp.)

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