



## 3 Cheap High-Growth Canadian Stocks to Buy in May

### Description

The better-than-expected February retail sales, improving corporate earnings, and expanding vaccination program have increased investors' sentiments, driving the **S&P/TSX Composite Index** higher by 9.6% for this year. However, few Canadian high-growth stocks are trading at a significant discount from their recent highs, offering excellent buying opportunities.

### BlackBerry

My first pick would be **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)), which trades close to 70% lower than its January highs. Its weak fourth-quarter performance and concerns over speculative trading have weighed on the company's stock price. However, [I am bullish on the stock](#), given its multiple growth drivers.

BlackBerry, which specializes in cybersecurity and data management services, has already acquired many blue-chip clients, including many government organizations. Last month, the company joined hands with **IBM** to expand the availability of its Spark platform to organizations across Canada. Amid increased remote working and learning, the demand for its services could grow going forward.

Further, the increasing demand for advanced driver-assistance systems and the growing electric vehicle (EV) market provides long-term growth potential for the company. Further, the company's management has set optimistic guidance for fiscal 2022, with its Cybersecurity and BTS verticals projected to deliver double-digit growth.

### Lightspeed POS

Second on my list would be **Lightspeed POS** ([TSX:LSPD](#))([NYSE:LSPD](#)), which trades over 18% lower than its recent highs. The shift in investors' focus toward value stocks and concerns over its high valuation had dragged the company's stock price down. However, the increased adoption of the omnichannel selling model and a secular shift towards online shopping has expanded the company's addressable market.

Meanwhile, Lightspeed POS is looking at acquisitions to strengthen its market share, expand its geographical footprint, and broaden its customer base. In recent months, the company has completed the acquisition of ShopKeep, Upserve, and Vend. Given its healthy financial position, the company is well positioned to fund its growth initiatives and future acquisitions. Further, the company earns over 90% of its revenue from recurring sources, which is encouraging. Given **Shopify's** impressive first-quarter performance last week, I expect Lightspeed POS to post a substantial fourth-quarter performance on [May 20](#).

Analysts are also bullish on the stock. Of the 18 analysts covering Lightspeed POS, 14 have issued a "buy" rating, while three have given a "hold" rating, and one analyst has issued a "sell" rating. Analysts' consensus price target stands at \$102.74, representing an upside potential of close to 20%.

## Goodfood Market

My third pick would be **Goodfood Market** ([TSX:FOOD](#)), which has lost over 46% of its stock value from its January highs. Meanwhile, the company had reported an impressive performance in its February-ending quarter. Its revenue crossed \$100 million for the first time, while its active subscribers rose over 30% to 319,000.

The secular shift to online shopping has created a multi-year growth potential for Goodfood Market. Meanwhile, the company is expanding its product offerings, penetrating newer markets, and increasing its production capabilities to capture the growing addressable market. Along with top-line growth, its margins are also improving, thanks to its investment in automation and technology. So, I believe investors should utilize this correction to accumulate the stock to earn superior returns.

Besides, analysts are also bullish on the stock. Of the eight analysts covering the stock, seven have given a "buy" rating, while the remaining analyst has issued a "hold" rating. Analysts' consensus price target stands at \$12.18, representing an upside potential of close to 55% from its Friday closing price.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

1. NYSE:BB (BlackBerry)
2. NYSE:LSPD (Lightspeed Commerce)
3. TSX:BB (BlackBerry)
4. TSX:FOOD (Goodfood Market)
5. TSX:LSPD (Lightspeed Commerce)

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### **Author**

rnanjapla

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