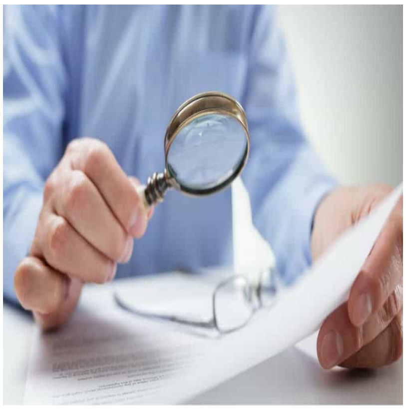

3 High-Growth TSX Stocks That Dropped up to 50% Recently

Description

Although TSX stocks at large are trading close to all-time highs, some rallying Canadian names have remarkably floundered recently. Is it time to buy those beaten-down stocks?

Shopify

Canadian tech titan **Shopify** (TSX:SHOP)(NYSE:SHOP) has been trading quite weak for the last few weeks. It has fallen more than 30% since its all-time high of $1,900 in February.

Valuation concerns could be one of the reasons behind Shopify's recent fall. However, investors should note that Shopify's growth prospects remain intact, despite its recent drop. The correction could be an excellent buying opportunity for long-term investors.

The e-commerce giant recorded the best ever quarter recently, with its Q1 revenues growing by 110% year over year. I think the stock has significant growth potential despite its lofty valuation multiple.

Shopify's expanding product base and merchant growth should see stronger revenue growth for the next several quarters. The company might not double its top line every year as it did during the pandemic, but it will still see superior growth compared to peers.

Facedrive

Another high-growth stock that has been on a downtrend recently is **Facedrive** (TSXV:FD). The ride-sharing company stock has fallen almost 40% so far in Q2 and 76% since its record high in February 2021.

Facedrive, the "people-and-planet-first" company, seems to have gotten carried away in order to expand since last year. The company has expanded in multiple non-relevant areas like marketplace, food delivery, and health. How the company grows its core ride-sharing business amid all these latest verticals remains to be seen. Its financial picture is no respite to shareholders, as it continues to lose money. Facedrive reported a net loss of $17.8 million in 2020 compared to $6.9 million in 2019.

FD stock still looks immensely overvalued even after such a steep correction recently. More reliable revenue growth and management's outlook to profitability could drive the stock higher. However, both seem out of place at the moment. Uncertainties and valuation concerns could weight on FD stock in the short to medium term.

Maxar Technologies

Maxar Technologies (TSX:MAXR)(NYSE:MAXR) stock got destroyed last week. The stock plunged more than 35% since reporting weaker Q1 earnings last week. The stock has lost 52% since its yearly highs of $74 in January 2021.

The space technology company reported a net loss of US $1.3 per share for the quarter ended on March 31, 2021. This was quite a widening from the loss of $0.80 per share in Q1 2021. The results were negatively impacted by a failure of the SiriusXM satellite launched in December last year.

Growth stocks have come under immense pressure recently due to inflation worries. Notably, Maxar stock is still sitting on a handsome gain of 130% in the last 12 months, even after the recent correction.

Interestingly, Maxar stock looks appealing from the valuation standpoint after this drop. It is trading at a price-to-sales valuation of one, notably lower than the historical average. The discounted valuation indicates that the stock might have a limited downside from the current levels.

CATEGORY

1. Coronavirus
2. Investing
3. Personal Finance
4. Stocks for Beginners
5. Tech Stocks

TICKERS GLOBAL

1. NYSE:MAXR (Maxar Technologies)
2. NYSE:SHOP (Shopify Inc.)
3. TSX:SHOP (Shopify Inc.)
4. TSXV:STER (Facedrive Inc.)

PARTNER-FEEDS

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

Category

1. Coronavirus
2. Investing
3. Personal Finance
4. Stocks for Beginners
5. Tech Stocks

Date
2025/08/15
Date Created
2021/05/11
Author
vinitkularni20