



1 Top High-Growth Canadian Stocks Under \$25 I'd Buy Right Now

Description

High-growth Canadian stocks have taken an [uppercut](#) to the chin in recent months. As the growth-driven correction cools down, I'd look to scoop up some of the battered tech plays that could find themselves back in [rally mode](#) as inflation jitters calm and rates settle.

Of course, nothing has changed about the inflation story. Higher consumer prices are terrible news for the fastest growers that don't expect to realize a profit (or at least a sustained profit) over the near- to intermediate-term.

Despite the uglier macro backdrop, there are pockets of undervaluation in the **TSX Index** with some of the fastest growers. Moreover, some firms can sustain growth that could more than offset a higher rate environment. And it's these such names that Canadian investors should back up the truck on before high-growth Canadian stocks are ready to sprint again after a lengthy breather.

High-growth Canadian stocks under \$25 that just shed over half their value

Some of the more speculative stocks on the TSX, like **Score Media and Gaming** (TSX:SCR)(NASDAQ:SCR) are horrifyingly volatile.

The stock lost over 70% of its value from peak to trough. And if you're easily enticed to throw in the towel on such moves, do yourself a favour and stay away, as you'll probably only lose money in such a play. However, for venturesome long-term investors who see themselves buying more shares if such a plunge were to continue after they've purchased shares, Score is shaping up to be one of the best buys this June.

Similarly, **Goodfood Market** ([TSX:FOOD](#)) is fresh off its own nasty implosion, with the stock now bouncing off a vicious 53% peak-to-trough drop. The \$593 million company faces tough headwinds en route to the post-pandemic world. And like with Score Media, FOOD stock has likely vastly overswung to the downside, allowing courageous contrarians with an opportunity to snag a stock at a pretty nice

discount.

Let's have a closer look at each beaten-down Canadian growth stock to see which has a greater discrepancy between its market price and its intrinsic value.

Score Media and Gaming: Under \$25 and undervalued

In a prior piece, I stated that Score stock had been a name that speculators have viewed as an option on the passage of Bill C-218 — a bill that aims to lift the ban on single-game sports betting. The Score stock isn't just an all-or-nothing bet on a contingent event, though. It's a wonderful business with incredible managers and a unique opportunity to take a commanding lead in what could be a market worth north of US\$5 billion.

For a \$1.2 billion company, the value proposition and growth story are nothing short of compelling. That said, Score investors need to be ready for extreme levels of volatility. With double-digit percentage moves that could be the norm for the rest of the year, investors ought to brace themselves for Dogecoin levels of volatility.

The stock could easily climb from \$23 and change today to the single digits. And if you're an investor, not a trader, you'll need to be ready to add to your position on such a decline to lower your cost basis. Score is dangerously volatile. However, the untapped total addressable market (TAM) and the capabilities of management make the name more of a sound investment and less of a gamble.

I think Score stock is more than worth betting on.

Goodfood: A top Canadian stock with the earnings bar set low

Goodfood investors have been booking profits in recent months in anticipation of the great reopening that could see many meal kit subscribers cancel or pause their subscriptions en masse. Sure, grocery stores are safer as COVID-19 cases wind down, but investors are underestimating the meal kit habit that's had an opportunity to form for well over a year now. Millennials value convenience and experiences above all else. That much is clear.

With solid operating margins and room to expand upon its product offerings, Goodfood has a good shot at retaining subscribers through better value offerings. It won't be an easy task, and Goodfood might need to take a temporary hit. That said, I don't think the company will not stumble as horribly as most analysts expect as it approaches some very tough comparables.

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