



2 Still Incredibly Cheap Growth Stocks to Buy in September

Description

Motley Fool investors looking for growth stocks may feel a bit slighted these days. In the last year, we all got used to [record-setting](#) gains in the market. After a huge crash, the COVID-19 pandemic actually led to some growth in certain areas. But now, that growth has slowed. For the most part, that is.

While the economy continues to rebound, there are still opportunities to find growth stocks on the **TSX** today. In fact, there always is! But right now, these two growth stocks are the top options that I would choose. Both remain incredibly cheap, both by share price and valuations, but are due for a major rebound in the years to come.

What to look for

So how should Motley Fool investors define growth stocks anyway? There are a few key factors to consider. The first is obvious, namely, that shares in the company continue to grow at a rapid rate. However, this can lead to overvalued companies, so when that happens, these really can't be considered growth stocks anymore as shares become due for a correction.

So next we look at valuations. If a company continues to grow past record highs and *still* has strong multiples, it's definitely worth your consideration. Price-to-earnings ratios, price-to-book ratios, and price-to-sales ratios are all great indicators of how well a company should continue to do in the future.

Then there are the analyst targets. Now be careful here. If there are only a handful of analysts predicting the stock to rise, you might want to do a bit more digging. But if these growth stocks have many analysts predicting even further growth, then it may be worth your attention. So let's look at some growth stocks on the TSX today worth that attention.

Bombardier stock

That's right, **Bombardier** ([TSX:BBD.B](#)) has made headlines again, and is definitely one of the growth stocks to [consider](#). The company fell from the TSX today after trading below \$1 but has since climbed

to double that. In fact, year to date it's up 302%! Definitely in growth stock territory for Motley Fool investors.

After some major restructuring all done before the pandemic, Bombardier stock has learned how to cut costs to pay down debt. Better still, it received bailouts before the pandemic hit! In 2021, Bombardier stock paid down \$2.7 billion in debt and has another \$2.1 billion in cash to pay off a further \$1 billion in debt over the next two years. It's narrowed its focus and is now looking at profitability through its jet-making business; its earnings state that this is where that focus should lie.

After trending downward for years, Bombardier stock is breaking out. Shares are back where they were in January of 2020, climbing, up 12% this month alone and almost doubling in the last three months! Yet it has an insane P/E ratio of 0.77, with a potential upside of around 30%. So it's definitely one of the growth stocks Motley Fool investors can consider.

Greenlane Renewables

The clean energy industry also got a beating in 2021 after being one of the top growth stocks for investors. President Joe Biden announced a huge investment would go toward clean energy companies, sending shares rising. However, investors then took their earnings on the TSX today and fled. But now, many of these clean energy stocks are climbing once more, as they should have been all along.

That includes **Greenlane Renewables** ([TSX:GRN](#)), which recently announced its fourth consecutive quarter of [record-setting](#) revenue growth, up 200% year over year. The biogas upgrade industry is booming, apparently, with a sales backlog of \$41.9 million as of the latest quarter and sales at \$800 million. It also added further contracts worth \$16 million on top of another \$12.8 million announced before.

Shares of the company are up 270% in the last year, but lagging behind other clean energy companies. Yet with sales about to explode, it's definitely one of the growth stocks to consider with a P/B of 4.1 and P/S of 4.2. Analysts believe the stock could double yet again in 2021, so now is a great time to consider this stock on the TSX today. And like Bombardier stock, it's still cheap at \$1.52 per share!

CATEGORY

1. Coronavirus
2. Investing

TICKERS GLOBAL

1. TSX:BBD.B (Bombardier)
2. TSX:GRN (Greenlane Renewables Inc.)

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