The 3 Best Under-$100 Growth Stocks to Buy in September 2021

Description

The Canadian stock market has been riding an incredible bull run since the COVID-19 market crash. The **S&P/TSX Composite Index** is up just about 75% since late March 2020. Even amid all the uncertainty still surrounding the COVID-19 pandemic, Canadian investors are showing that they are as bullish as ever.

One thing to keep in mind as the Canadian stock market soars is its valuation. After surging 75% in less than two years, it shouldn't come as a surprise to hear that it's not cheap to invest in Canadian stocks today, especially growth companies.

If you're a short-term investor, I'd be cautious about investing in high-priced growth stocks right now. We're certainly due for a pullback at some time, which could send high-valued stocks plummeting.

As a long-term investor myself, I'm not letting the market's current valuation affect my investing strategy all that much. I'm focused on adding high-quality market-leading companies to my portfolio and holding for the long term. I'm not completely ignoring valuation, but my timeline allows me to wait out any pullbacks in the short term.

Growth investors with a long-term time horizon should have these three TSX stocks on their radar this month. These three growth companies aren't necessarily cheap from a valuation perspective, but they're all trading below $100 today.

WELL Health Technologies

This telemedicine stock was one of the top-performing companies on the TSX in 2020. Shares of **WELL Health Technologies** (TSX:WELL) were up 400% last year.

Unsurprisingly, the pandemic led to a massive spike in demand for the growth stock's telemedicine services in 2020. We'll likely see a drop in virtual doctor appointments in 2021, but that doesn't make me any less bullish on the long-term growth potential of this industry.

WELL Health shares are just about flat on the year and down close to 15% from all-time highs. If you're looking to add exposure to the growing telemedicine industry in your portfolio, now's a good time be to loading up on shares of this growth stock.

Dye & Durham

Considering the growth that this tech stock has delivered as of late, it's an absolute bargain. **Dye & Durham** (TSX:DND) joined the TSX in July 2020, and shares are already up more than 200%. Still, it's only valued at a forward price-to-earnings (P/E) ratio of barely over 30.

Dye & Durham is an exciting software-as-a-service play but in a very mundane market. The company's cloud-based software is used primarily to improve efficiency and productivity. Its customers consist mainly of legal, government, and financial institutions.

Even after soaring more than 200%, the growth stock is still only valued at a market cap of just $3 billion. And once you factor in the company's aggressive acquisition strategy and its global expansion, there are enough reasons to believe that this growth stock will continue to deliver market-crushing gains in the coming years.

Enghouse Systems

Last on my list is a reasonably priced tech company with a strong track record of delivering market-beating gains. It also happens to be trading at a rare discount right now, which is why it's at the top of my watch list this month.

Tech company **Enghouse Systems** (TSX:ENGH), has seen its stock price deliver more than 1,000% over the past decade. Growth has slowed in recent years, but it's still up 150% since mid-2016.

Shares aren't cheap, but a forward P/E ratio of 35 is well worth the price considering the growth it's delivered. It's also trading 20% below all-time highs from last year.

If you're looking for a turnaround tech stock, Enghouse Systems should be on your radar.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. TSX:DND (Dye & Durham Limited)
2. TSX:ENGH (Enghouse Systems Ltd.)
3. TSX:WELL (WELL Health Technologies Corp.)

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