Down Over 10%: Should You Buy These 4 High-Growth Stocks?

Description

The global equity markets have witnessed a pullback over the last four weeks amid concerns over rising inflation, increasing bond yields, and tightening monetary policies. The **S&P/TSX Composite Index** has corrected over 3.4% from its September high. Meanwhile, the following four high-growth stocks have fallen by over 10% from their recent highs. So, let's assess whether any buying opportunities exist in any of these four Canadian stocks.

goeasy

Amid the sell-off in equity markets, **goeasy** (TSX:GSY) has lost close to 12% of its stock value from its recent highs. Meanwhile, the steep correction offers an excellent buying opportunity, given the expanding addressable market and its growth initiatives and attractive valuation. Amid improving economic activities, the loan originations have increased, benefiting goeasy. Meanwhile, goeasy has expanded its product offerings, strengthened its digital channels, and ventured into new markets to drive its financials.

The company could also benefit from LendCare's acquisition, which has added new business verticals and improved its risk profile. Amid these favourable factors, management expects its loan portfolio to reach $3 billion by the end of fiscal 2023. Along with these growth prospects, goeasy has rewarded its shareholders by raising its dividends at a compound annual growth rate (CAGR) of 34% since 2014.

Lightspeed Commerce

Lightspeed Commerce (TSX:LSPD)(NYSE:LSPD) has fallen by over 30% from its recent highs. The weakness in the broader equity markets and a bearish report from Spruce Point Capital Management appear to have caused the company's stock price to fall. The report had accused Lightspeed Commerce of inflating its total addressable market, customer counts, and gross transaction volume.

However, Lightspeed Commerce has denied any wrongdoing and has termed the report inaccurate, misleading, and intended to benefit Spruce Point. So, the management has asked investors to make decisions based only on its filings with the Canadian and U.S. securities regulatory authorities. Despite the management's clarification, I expect Lightspeed Commerce's stock to be volatile in the near term. Meanwhile, long-term investors can take advantage of the steep correction to accumulate the stock to earn superior returns over the next three years given its expanding addressable market, strong financials, and strategic acquisitions.

Docebo

After touching an all-time high last month, **Docebo** (TSX:DCBO)(NASDAQ:DCBO) has corrected 24.5% amid the weakness in the broader equity markets. Meanwhile, the correction provides an excellent entry point for long-term investors, as the learnings management service market could grow at a CAGR of 21% over the next five years. Given its convenience and cost-effectiveness, many organizations are adopting digital tools to upskill their employees, benefiting Docebo.

Meanwhile, Docebo had recently opened its office in Munich, Germany, to boost its growth in the international market. Its growing customer base, increasing average revenue per customer, and a higher percentage of recurring revenue augur well with its growth prospects. Additionally, the company strengthened its financial position by raising around $128.8 million through new equity offerings in September, supporting its growth initiatives.

WELL Health Technologies

My final pick would be **WELL Health Technologies** (TSX:WELL), which has lost over 16% of its stock value from last month's high. The correction has dragged its forward price-to-sales multiple to 3.4, which looks attractive given its healthy growth prospects. The demand for virtual services could sustain even in the post-pandemic world due to its accessibility and convenience, benefiting WELL Health.

Meanwhile, WELL Health is also focusing on expanding its presence in the United States. Circle Medical, its recent acquisition, has launched its business in New York and has plans to expand its presence across 46 U.S. states by the end of this year. WELL Health has also acquired a majority stake in WISP, which offers telehealth and e-pharmacy solutions to female patients. So, given its healthy growth prospects and attractive valuation, I am bullish on WELL Health.

CATEGORY

1. Bank Stocks
2. Investing
3. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:DCBO (Docebo Inc.)
2. NYSE:LSPD (Lightspeed Commerce)
3. TSX:DCBO (Docebo Inc.)
4. TSX:GSY (goeasy Ltd.)
5. TSX:LSPD (Lightspeed Commerce)
6. TSX:WELL (WELL Health Technologies Corp.)

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