



Tech Selloff: These Cheap, High-Growth TSX Stocks Could Make You Rich

Description

The hammering of tech stocks continues in 2022, with big players losing a substantial portion of their value in a short duration. The overall selling reflects that tech stocks are no longer appealing to investors.

The macroeconomic uncertainty, valuation concerns, and expected moderation in growth amid economic reopening are leading investors to dump tech stocks.

Thanks to the recent selling, several top TSX tech stocks are trading cheap, representing a solid opportunity to buy them for the long term. This article will focus on four such Canadian tech stocks that are trading cheap and have solid long-term growth potential.

Lightspeed

The selling in **Lightspeed Commerce** ([TSX:LSPD](#))([NYSE:LSPD](#)) continues regardless of its solid long-term fundamentals. Thanks to the massive selling, Lightspeed stock is [trading cheap](#), while its valuation is at a multi-year low, providing an excellent entry point for investors willing to hold the stock for the long term.

To give a background, Lightspeed stock has lost over 58% of its value in three months. Furthermore, its EV/sales multiple of 7.1 is significantly lower than its historical average of 16.5. While Lightspeed stock is trading cheap, it offers solid growth.

I expect Lightspeed to benefit from the structural shift in selling models to digital platforms. Moreover, growing penetration of its payments offerings, expansion into new markets, higher average revenue per user, new product launches, and acquisitions will lead to an acceleration in its growth and drive its stock price higher.

Absolute Software

Shares of **Absolute Software** ([TSX:ABST](#))([NASDAQ:ABST](#)) witnessed heavy correction and are trading near the 52-week low. Further, Absolute Software stock is trading at a forward EV/sales multiple of 3.2, which is well below its peer group average. The significant drop in its price provides an excellent buying opportunity.

I expect Absolute Software to deliver strong financials, even in the post-pandemic world. Its large addressable market, product innovation, expansion of global footprint, and strategic capital allocation augur well for growth. Moreover, increased enterprise and government spending on digitalization, its strong annual recurring revenue base, and higher customer retention rate provides a solid platform for growth.

Nuvei

The payments technology provider **Nuvei** ([TSX:NVEI](#))([NASDAQ:NVEI](#)) also witnessed a sharp selloff and has lost more than 56% of its value from the peak. This sharp correction in Nuvei stock represents a good buying opportunity for investors willing to hold its stock for the medium to long term.

Nuvei's global customer base, large addressable market, and expansion into high-growth verticals, including regulated online gaming, will likely drive its financial performance and, in turn, its share price. Moreover, higher income from existing customers, product innovation, and strategic acquisitions will likely accelerate growth. Overall, the addition of new capabilities, geographical expansion, and growing scale support my bullish outlook on Nuvei stock.

BlackBerry

Though **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) stock outpaced the broader market averages in 2021, it has declined by 69% from its 52-week high and looks attractive at current price levels. While BlackBerry stock is [priced low](#), it is likely to benefit from the accelerated pace of digitalization. Notably, increased cybersecurity incidents and higher spending on cybersecurity will likely support BlackBerry's growth.

Furthermore, its growing addressable market, strong competitive positioning in the IoT segment, solid demand, and product innovation bodes well for future growth. Also, recovery in the automotive sector and secular tailwinds stemming from electrification and automation provide multi-year growth opportunities for BlackBerry.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:ABST (Absolute Software)
2. NASDAQ:NVEI (Nuvei Corporation)
3. NYSE:BB (BlackBerry)
4. NYSE:LSPD (Lightspeed Commerce)
5. TSX:ABST (Absolute Software)

6. TSX:BB (BlackBerry)
7. TSX:LSPD (Lightspeed Commerce)
8. TSX:NVEI (Nuvei Corporation)

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