



Got \$1,000? Here Are 4 Cheap Growth Stocks to Buy Right Now

Description

Amid the favourable commentary from the chairman of the Federal Reserve, the Canadian equity markets have continued their uptrend, with the **S&P/TSX Composite Index** trading just 1.8% lower from its all-time high. However, the following four growth companies are still trading a significant discount from their recent highs, providing excellent buying opportunities.

Lightspeed Commerce

On Monday, **Lightspeed Commerce** ([TSX:LSPD](#))([NYSE:LSPD](#)) fell to its 52-week low of \$42.90 before bouncing back to \$49.26 by the end of Wednesday. However, the company is still trading over 70% lower from its September highs, with its valuation close to multi-year lows. Meanwhile, I believe the correction is overdone and expect the stock to rise from these levels, given its healthy growth prospects.

The increased transition towards online shopping has created a multi-year growth potential. Meanwhile, the company is also expanding its geographical presence, business segments, launching new products, and making strategic acquisitions to drive growth. Also, it raised around US\$716 million in August, which could fund its growth initiatives. So, given its growth potential and discounted stock price, I expect Lightspeed Commerce to deliver superior returns over the next two years.

Northland Power

Amid increasing awareness over the rising pollution levels, people and businesses are increasingly moving towards clean energy. This transition could benefit **Northland Power** ([TSX:NPI](#)), which has an economic interest in 3.2 gigawatts of power-producing facilities. Meanwhile, the company has delivered solid performance over the last six years, with its adjusted EBITDA and cash flows growing at a CAGR of 21% and 9%, respectively.

Meanwhile, I expect the uptrend could continue, given the favourable market conditions, and the company's strong pipeline of projects. The company has identified around [four to five gigawatts of developmental opportunities](#)

across multiple markets and technologies. It earns around 95% of its revenue through long-term contracts, which provide stability to its financials. Meanwhile, the company also pays a monthly dividend of \$0.10 per share, with its forward yield currently at 3.36%. Considering all these factors, I am bullish on Northland Power.

Cargojet

Third on my list is **Cargojet** ([TSX:CJT](#)), which has lost over 30% of its stock value compared to its all-time high. The steep correction has also dragged its valuation down, with its forward price-to-earnings multiple standing at 27.6. With the growth in e-commerce, the company, with its large fleet and unmatched next-day delivery service to prominent cities in Canada, is well equipped to benefit in the coming quarters.

Meanwhile, the company also has planned to add three 767 aircraft this year amid rising demand. Given its next-day delivery service to 90% of the Canadian population and the sector high-entry barrier, the company enjoys a substantial competitive advantage over its peers. It could benefit from long-term contracts, a minimum volume guarantee, and a higher customer retention rate. So, I expect [Carojet to outperform over the next two years](#).

Goodfood Market

Goodfood Market ([TSX:FOOD](#)), an online grocery company, is down over 75% compared to its 52-week high. The weak quarterly performance, investors' skepticism over its growth amid the reopening of the economy, and the expectation of rising interest rates have caused the company's stock price to fall. Amid the steep correction, the company's forward price-to-sales multiple stands at an attractive 0.7.

Despite the reopening of the economy, I expect people to continue with online grocery shopping, given its convenience. Meanwhile, the company is increasing the delivery speed, adopting digital advancements, expanding its product offerings, and increasing its production capabilities to drive growth. So, I believe Goodfood Market could be an excellent addition to your portfolio at these levels.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:LSPD (Lightspeed Commerce)
2. TSX:CJT (Cargojet Inc.)
3. TSX:FOOD (Goodfood Market)
4. TSX:LSPD (Lightspeed Commerce)
5. TSX:NPI (Northland Power Inc.)

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