



3 High-Growth Stocks That Could Rally in 2022 and Beyond

Description

The recent selling in equities has led to a significant correction in several high-quality growth stocks. I see this as an opportunity for long-term investors to buy these high-growth stocks at a considerable discount. With that in the backdrop, this article will focus on three Canadian companies growing fast, trading at a discount, and having solid upside potential.

Shopify

While **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) stock's valuation is not cheap, it has witnessed a sharp pullback, providing a solid opportunity for investors to go long. To give background, Shopify stock has corrected about 38% from its 52-week high, while it is down about 20% this year.

Overall, selling in high-growth stocks, difficult comparisons, and expected moderation in its growth rate amid an economic reopening weighed on its price.

While Shopify's growth could moderate a bit in the near term, its long-term fundamentals remain intact. The shift towards omnichannel platforms, Shopify's market share gains, and expansion of product offerings augur well for growth. Growing penetration of its payments solutions and investments in fulfillment and capital will likely accelerate its growth. Meanwhile, the addition of new sales channels and operating leverage bode well for growth.

Overall, Shopify is a solid stock that could continue to make its [investors rich](#) in the long term. Its ability to acquire merchants, growing market share in North America, and global expansion, product innovation, and secular industry trends could continue to drive its stock price higher.

Lightspeed

Lightspeed Commerce ([TSX:LSPD](#))([NYSE:LSPD](#)) stock witnessed a sharp correction, declining over 60% in three months. Furthermore, it is down about 10% this year. The massive decline in its price has driven its valuation lower. It's worth noting that Lightspeed stock is trading at NTM (next 12-month)

EV/sales multiple of seven, representing a massive discount compared to the pre-pandemic levels.

While Lightspeed stock is trading cheap on the valuation front, its business continues to benefit from the strength in its base business and strategic acquisitions. Though difficult year-over-year comparisons and a deceleration in organic growth rate could continue to hurt its near-term prospects, the strong demand for its digital products, product innovation, and increased payments penetration augur well for future growth.

Furthermore, its expansion into the high-growth markets and verticals, accretive acquisitions, upselling opportunities, and increased average revenue per user will likely support the uptrend in Lightspeed stock.

Nuvei

Like Shopify and Lightspeed, **Nuvei** ([TSX:NVEI](#))([NASDAQ:NVEI](#)) stock has also witnessed a significant correction in its price. Nuvei stock has corrected over 54% from its 52-week high and trades at a forward EV/sales multiple of 10.8, much lower than its historical average of 16.5.

The steep decline in its price is one of the reasons why I am [bullish on Nuvei](#) in the long term. Its fundamentals remain strong, and I expect it to benefit from the strength in the digital payments segment.

Nuvei continues to acquire customers rapidly. Furthermore, it is deriving higher revenues from existing customers. Also, its expansion into high-growth verticals and product innovation augur well for future growth.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NASDAQ:NVEI (Nuvei Corporation)
2. NYSE:LSPD (Lightspeed Commerce)
3. NYSE:SHOP (Shopify Inc.)
4. TSX:LSPD (Lightspeed Commerce)
5. TSX:NVEI (Nuvei Corporation)
6. TSX:SHOP (Shopify Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. kduncombe
2. snahata

Category

1. Investing

Date

2025/08/25

Date Created

2022/01/18

Author

snahata

default watermark

default watermark