



3 Top Growth Stocks to Buy in February 2022

Description

Several [growth stocks](#) have fallen significantly in the last three months. However, for investors with a long-term perspective, the pullback offers an attractive buying opportunity right now.

Three stocks that have fallen by more than 40% from all-time highs include companies such as **Cresco Labs** ([CNSX:CL](#)), **Upstart** ([NASDAQ:UPST](#)) and **Docebo** ([TSX:DCBO](#))([NASDAQ:DCBO](#)). These declines might make investors wary, but buying the stocks at current valuations can help you derive exponential gains in 2022 and beyond.

Cresco Labs

The global marijuana market is forecast to grow at an annual rate of 22% through 2025 to touch US\$47 billion, providing Cresco Labs and peers enough opportunities to increase the top line at a steady pace.

Cresco Labs is a Chicago-based producer, and its adjusted EBITDA stood at US\$56.4 million, accounting for 26% of sales, which was US\$215.5 million, up from US\$153.3 million in the year-ago period. Cresco now expects sales between US\$235 million and US\$245 million in Q4 compared to US\$162 million in the year-ago period. Analysts also expect sales to touch US\$1.45 billion in 2022.

Cresco Labs is valued at a [market cap](#) of \$2 billion, which suggests it is trading at price-to-2022-sales multiple of less than two, which is really cheap.

Cresco Labs stock is currently trading at a discount of 200% compared to consensus price target estimates.

Docebo

An enterprise-facing e-learning company, Docebo is another growth stock that should be on your buying radar at current prices. DCBO stock is valued at a market cap of US\$1.77 billion and is down

41% from all-time highs.

In Q3 of 2021, Docebo reported growth in revenue and its annual recurring revenue (ARR) rose by 60%, as it reported another US\$10.2 million in net ARR. The company continues to build momentum as top-line growth is balanced across industry verticals. As use cases for Docebo's portfolio of products get larger, the company should benefit from an increase in average contract value over time.

In Q3 of 2021, Docebo's revenue was up 68% year over year to US\$27.1 million. Its subscription sales stood at US\$25.1 million, accounting for 93% of total revenue, and were up 66% year over year. Docebo's annual recurring revenue also rose to US\$103.5 million, up from US\$64.6 million in the year-ago period.

Upstart

One of the top performers of 2021, Upstart is down 76% from record highs. UPST stock soared from US\$44 in December 2020 to US\$390 in October 2021. It's currently trading at US\$95 per share, valuing the company at a market cap of US\$7.8 billion.

Upstart has grown its sales from US\$96 million in 2018 to US\$227 million in 2020. Its sales are expected to touch US\$807 million in 2021 and US\$1.21 billion in 2022. Its adjusted per share is also forecast to grow from US\$0.23 in 2020 to US\$2.33 in 2022.

So, UPST stock is trading at a forward price-to-sales multiple of 6.44 and a price-to-earnings multiple of 40, which is really attractive.

Upstart [is poised to gain massive traction](#) as its AI-powered lending products are already used by a variety of banks. It has entered the auto-lending market and can expand into verticals, such as mortgage lending.

Analysts expect UPST stock to touch US\$218 in the next 12 months, which is 125% above its current trading price.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. CNSX:CL (Cresco Labs Inc.)
2. NASDAQ:DCBO (Docebo Inc.)
3. NASDAQ:UPST (Upstart Holdings Inc.)
4. TSX:DCBO (Docebo Inc.)

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