3 Canadian Growth Stocks That Are Too Cheap to Ignore

Description

Thanks to the ongoing selling in growth stocks, shares of several top-quality companies are looking dirt cheap, making them attractive long-term investments. So, if you plan to add a few high-growth stocks to your portfolio, consider buying the shares of **Lightspeed Commerce** (TSX:LSPD)(NYSE:LSPD), **WELL Health** (TSX:WELL), and **Shopify** (TSX:SHOP)(NYSE:SHOP).

In this article, we'll explore the reasons why these growth stocks should be a part of your portfolio. Further, these stocks are trading at a significant discount at the current levels.

Lightspeed

The biggest reason for buying Lightspeed stock is the massive correction in its price and strong growth prospects in the long run. For context, Lightspeed stock has corrected by over 75% from its high. Further, Lightspeed stock is trading lower in the pre-market session on Thursday, representing a solid buying opportunity.

I see this significant decline in price as an opportunity for buying as Lightspeed continues to deliver strong financial and operating performances. Moreover, the company remains confident of growing its organic subscription and transaction-based revenues by 35-40% annually in the coming years.

Overall, Lightspeed's ability to drive revenues both organically and through acquisitions bodes well for future growth. Further, increased penetration of its payments solutions, expansion into high-growth markets, product expansion, continued migration towards omnichannel selling models, and higher average revenue per user support my bullish outlook.

WELL Health

WELL Health stock has lost over 54% of its value from the peak, despite consistently delivering strong financial and operating performances over the past several quarters. Further, this tech-based healthcare company has reported positive adjusted EBITDA in the past quarters, which is encouraging.

Recently, WELL Health announced that its annualized revenues in 2021 would exceed $450 million with a solid performance in Q4. Meanwhile, its adjusted operating EBITDA would cross $100 million. WELL Health's strong financial performance comes on the back of its recent acquisitions, strength in the U.S.-focused virtual services, and solid organic revenues.

Its omnichannel patient visits are growing rapidly, which augurs well for future growth. Further, its extensive omnichannel patient services, a growing network of outpatient medical clinics, and accretive acquisitions will likely drive strong growth in its financials.

Shopify

Profit-taking, valuation concerns, and expected moderation in its growth rate amid the reopening of retail locations have led to a 50% reduction in Shopify stock from its 52-week high. Though the difficult year-over-year comparisons, normalization in demand trends, supply-chain challenges, and macroeconomic headwinds could limit the upside in Shopify stock in the near term, I see this sharp pullback in its price as a solid buying opportunity.

Shopify's continued investment in growth initiatives, including the strengthening of the fulfillment network, bodes well for future growth. Further, high-value product launches, expansion of merchant services, growing penetration of payments solutions, growing market share will likely drive its revenues at a solid pace in the coming years.

Overall, the decline in its price, its growing global footprint, strength in the subscription solutions business, operating leverage, expansion of fulfillment networks, and addition of new sales channels provide a multi-year growth opportunity.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NYSE:LSPD (Lightspeed Commerce)
2. NYSE:SHOP (Shopify Inc.)
3. TSX:LSPD (Lightspeed Commerce)
4. TSX:SHOP (Shopify Inc.)
5. TSX:WELL (WELL Health Technologies Corp.)

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