



3 Unbelievably Cheap Growth Stocks to Buy Now

Description

Every [type of stock](#) you can buy has different traits and different pros and cons to owning it. [Growth stocks](#), for example, are some of the best businesses to own long-term and can grow your capital rapidly. However, they tend to be riskier and trade with premiums, making them prone to more [volatility](#). So after the last month, when volatility picked up in markets, there are now high-quality growth stocks to buy that are trading unbelievably cheap.

So if you're looking for high-quality growth stocks that have the potential to continue growing and are now trading ultra-cheap, here are three of the best to buy now.

A high-potential growth stock that will only continue to see rising demand for its services

One Canadian growth stock that had a strong rally in 2021, but has now declined heavily and trades extremely cheap, is **Magnet Forensics** ([TSX:MAGT](#)).

Magnet Forensics is a [tech stock](#) that develops innovative tools designed to help investigate digital crimes and other cyber attacks. Its software is capable of acquiring, analyzing, and detailing digital evidence gained from multiple digital sources such as computers, phones, and even cloud storage.

This is an industry that has huge potential. In 2020 it's estimated that damages from digital crimes reached almost US\$1 trillion in value. And although that already seems like a lot, it's estimated that by 2026, damages from cybercrime could exceed US\$10 billion.

So with Magnet already in an excellent position, and with many high-quality clients such as governments and police agencies, it's perfectly positioned to grow as the demand for its services rapidly increases. Therefore, with the stock trading more than 50% off its 52-week high and now at a forward [price-to-sales](#) of just over 10 times, Magnet Forensics is one of the best growth stocks to buy now while it's cheap.

A top Canadian health care tech stock to buy while it's cheap

WELL Health Technologies ([TSX:WELL](#)) is a stock that gained a tonne of popularity during the pandemic as one of the top performers. However, in recent months it has not only lost its tailwind from the pandemic, but it's also now facing headwinds created by expectations of [higher interest rates](#) this year.

So after the major sell-off in tech stocks over the last month, WELL now trades roughly 50% off its 52-week high. Despite this poor performance by the stock, though, the company continues to grow at an impressive pace. WELL finished 2021 with an annual revenue [run-rate](#) of \$450 million and an annualized operating adjusted [EBITDA](#) run-rate of almost \$100 million.

That means WELL, a top Canadian growth stock, is trading at a price-to-sales ratio of just 2.1 times and an enterprise value to EBITDA ratio of roughly 14 times. So if you're looking for a high-quality stock to buy now, the recent trading range has been the lowest valuation WELL has ever traded at, showing just how cheap this top Canadian growth stock is today.

An underperforming tech stock with massive upside

Last on the list is a stock that has great potential to grow but so far has posted underwhelming results. And while this does mean the stock has more risk because it's so cheap today, there is little downside in the share price. So if you're looking for a top Canadian growth stock to buy now, **AcuityAds Holdings** (TSX:AT)(NASDAQ:ATY) is extremely cheap.

AcuityAds is an AdTech stock that empowers marketers by providing a holistic view of digital advertising campaigns across several formats. AdTech is an increasingly growing industry, which is why AcuityAds has so much potential. The company helps advertisers send different messages and different campaigns to different user groups which allow companies to offer better marketing to their target audience.

Its latest product, which launched in the fall of 2020, has taken a little longer to gain sales than expected, but that's mostly due to a longer onboarding process given the complicated nature of the self-serve program.

So with AcuityAds trading almost 90% off its all-time high at a price-to-sales ratio of 1.5 times, and a forward [enterprise value](#) to EBITDA ratio of just 6.3 times, it's incredibly cheap and one of the best growth stocks to buy now.

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2. TSX:ILLM (AcuityAds)

3. TSX:MAGT (Magnet Forensics)
4. TSX:WELL (WELL Health Technologies Corp.)

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