



2 Cheap Canadian Growth Stocks to Buy Right Now

Description

The Canadian stock market as a whole had an incredibly strong year in 2021. Despite the global pandemic continuing to wreak havoc, the **S&P/TSX Composite Index** managed to post a 20% gain last year.

What's going on with high-growth tech stocks?

Just because the market was up big last year doesn't mean all companies fared as well. Many [growth stocks](#), tech companies, in particular, not only trailed the market's return last year but also ended 2021 trading at a loss.

[Tech stocks](#) initially rebounded incredibly well from the COVID-19 market crash in early 2020 — many of which went on to post multi-bagger returns in a span of fewer than 12 months. As a result, it wasn't surprising to see many of those growth companies cool off in 2021 after surging to sky-high valuations in 2020.

In the short term, it's anybody's guess as to how much longer growth stocks will continue to slide. But if you're investing for the long term, there are plenty of high-quality growth stocks trading at [attractive prices](#) right now.

Here are two discounted growth stocks that long-term investors would be wise to have on their radar.

Growth stock #1: Shopify

What was once Canada's largest company is now [trading at a discount](#) that long-term investors won't want to pass up. **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) is trading close to 50% below all-time highs that were set just three months ago.

Even at a market cap of \$135 billion, Shopify continues to put up monster revenue growth numbers. That's one of the reasons why the tech stock is still trading at a lofty price-to-sales ratio of 25, even

after a 50% [selloff](#).

The long-term market opportunity in the e-commerce space is clearly there for Shopify, which is why I'm banking on many more years of double-digit revenue growth. One of the few downsides of this tech giant is valuation. As long as Shopify continues to trade at these price levels, high levels of volatility will likely remain.

Growth stock #2: Lightspeed Commerce

Speaking of high-priced tech stocks trading at a discount, **Lightspeed Commerce** ([TSX:LSPD](#))([NYSE:LSPD](#)) is another growth company that is high up on my watch list right now. I'm already a shareholder of the tech stock, but I may be forced to add to my position at this price.

Lightspeed began selling off last September after the release of a short report that questioned the company's long-term growth potential. That selloff was followed by underwhelming quarterly results, which sent the tech stock plummeting once again. Today, Lightspeed is trading more than 70% below where it was last September.

Despite the massive selloff, though, shares of Lightspeed are still up a market-crushing 100% since the company went public in early 2019.

Lightspeed has done a very strong job increasing the size of its market opportunity in the three years of being a public company. Today, Lightspeed serves customers spread across more than 100 different countries and offers a whole lot more than just point-of-sale software.

In the company's most recent earnings report, which was its fiscal 2022 Q3, management reported quarterly revenue growth of 165%. It was the third consecutive quarter where year-over-year revenue growth topped 150%.

After dropping 75% in less than half a year, there are understandably some question marks surrounding this growth stock. But as a huge bull on the long-term growth opportunity in both the brick-and-mortar and e-commerce spaces, Lightspeed is a company that I'm willing to take a chance on, especially at this price.

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.)

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