



4 Under-\$20 High-Growth Stocks to Buy Now

Description

Several TSX high-growth stocks lost a significant amount of value amid the recent selloff in the market. Thanks to the decline, these high-growth stocks are trading cheap, creating an opportunity for long-term investors to buy them at current levels. Let's look at four such stocks that are trading under \$20.

BlackBerry

BlackBerry ([TSX:BB](#))([NYSE:BB](#)) stock has lost over 63% of its value from the 52-week high of \$24.35. This crash represents a solid [buying opportunity](#), as BlackBerry will likely benefit from the accelerated pace of digital transformation, higher demand for cybersecurity products, and secular trends in the auto sector.

Its solid sequential revenue and billings growth across its business units supports my optimism. Meanwhile, its large and growing addressable market provides a multi-year growth opportunity. Further, new design wins will likely generate royalty income in the coming quarters.

Overall, BlackBerry's continued investments in growth, product innovation, ongoing strength in its business units, and strong recurring product software revenue will likely drive its financial and operating performance. Meanwhile, automation and electrification in the auto sector will likely support its growth rate and, in turn, drive the recovery in its price.

Absolute Software

The selling in tech stocks wiped out a considerable portion from **Absolute Software's** ([TSX:ABST](#))([NASDAQ:ABST](#)) market cap. To be precise, Absolute Software stock has declined by 41% from the 52-week high and is trading well below \$20.

My bullish view on Absolute Software stock is based on its ability to grow its ARR (annual recurring revenues) at a healthy pace. Notably, it increased by 15% in Q2 of FY22. Further, its net dollar retention rate remains high, which is encouraging. Thanks to its strong sales, Absolute Software's

adjusted EBITDA has been growing at a CAGR of 51% since 2018.

Overall, Absolute Software's growing geographic footprint, opportunistic acquisitions, product expansion, cross-selling, large addressable market, and cheap valuation make it [attractive](#) at current levels.

StorageVault Canada

StorageVault Canada ([TSX:SVI](#)) stock has outperformed the broader market averages over the past year. While it is trading near its 52-week high, it has witnessed a healthy pullback, providing a good entry point. The ongoing momentum in its base business and its growing rentable space augur well for growth.

I am upbeat about StorageVault's prospects and expect it to deliver strong operating and financial performance in the coming quarters. Its robust portfolio of owned and managed stores, strong competitive positioning in the domestic market, strategic acquisitions, and cost-savings initiatives will support its growth. Further, the high occupancy rate, robust cash flows, and significant barriers to entry bode well for growth.

Payfare

Payfare ([TSX:PAY](#)) stock has decreased by about 53% from its high, providing a solid buying opportunity. Payfare's partnership with leading marketplaces has driven its active user base and revenues. Meanwhile, economic reopening has boosted demand for ridesharing and online food delivery, which augurs well for growth.

It's worth noting that Payfare's active users crossed over half a million in Q4, which positions it well to deliver strong growth in 2022. Also, the launch of new products and services, expansion into newer verticals, growing revenue user base, and the scalable platform provide a solid foundation for growth.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:ABST (Absolute Software)
2. NYSE:BB (BlackBerry)
3. TSX:ABST (Absolute Software)
4. TSX:BB (BlackBerry)
5. TSX:PAY (Payfare Inc.)
6. TSX:SVI (StorageVault Canada Inc.)

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