3 Top Tech Stocks Available at Significant Discounts

Description

The equity markets have become more volatile amid the continuing tension between Russia and Ukraine. In addition, with inflation at a multi-decade high, investors expect central banks to increase interest rates in the coming months. Higher interest rates could increase borrowing costs. So, growth stocks, which require higher capital to fund their growth initiatives, could witness contraction in their margins. Amid these factors, growth stocks have seen a significant pullback over the last few months.

However, I believe the correction in the following three tech stocks is overdone. So, investors who add these stocks could earn superior returns over the next three years.

BlackBerry

Despite posting a solid third-quarter performance in December, **BlackBerry** (TSX:BB)(NYSE:BB) is trading 65% below its June highs. The selling of its non-core patents and the weakness in the broader equity markets have led to a steep correction in its stock price. However, I believe the pullback is overdone, providing an excellent buying opportunity.

With rising digitization and hybrid work culture, spending on cybersecurity is rising. Meanwhile, BlackBerry focuses on innovation to launch new products and upgrade its existing ones to increase its market share. The company also has substantial exposure to the automotive market. Its IVY platform could be a significant growth driver given the rising software components in vehicles. Also, the growth in connected and electric vehicles provides BlackBerry with substantial growth potential. So, I expect BlackBerry to deliver significant returns over the next three years.

Lightspeed Commerce

Since a short-seller report from Spruce Point Capital Management in September, **Lightspeed Commerce** (TSX:LSPD)(NYSE:LSPD) has been under pressure. It currently trades 79.5% lower than its September highs. The widening of net losses during its recently reported third-quarter earnings has also weighed on its stock price. The steep pullback has dragged its forward price-to-sales multiple down to 5.9.

Amid the growth in e-commerce, more businesses are adopting omnichannel solutions, creating a multi-year growth potential for Lightspeed Commerce. The company is expanding its business by adding new industry verticals and venturing into new markets. Also, the company is making strategic acquisitions to strengthen its market presence and increase its customer base. So, given its growth potential and discounted valuation, I expect Lightspeed Commerce's stock price to double over the next three years.

WELL Health

Despite posting strong quarterly performance, **WELL Health Technologies** (TSX:WELL) has lost around 54% of its stock value compared to its 52-week high. The correction has dragged its forward price-to-sales multiple down to 1.9, lower than its historical average. Meanwhile, last month, the company reported robust preliminary earnings for the fourth-quarter that ended on December 31.

WELL Heath is benefiting from the increased adoption of telehealth services. Its revenue run-rate had crossed its earlier stated guidance of $450 million during the fourth quarter, while its adjusted EBITDA run-rate was approaching $100 million. Meanwhile, its omnichannel patient visits increased by 121% in the fourth quarter on a year-over-year basis. Further, the company's annualized revenue from the U.S. was approaching US$70 million, amid the strong performance from its recent acquisitions, Circle Medical and Wisp. Meanwhile, WELL Health's management expects its revenue from the region to reach US$100 million this year.

Given its improving financials, favourable market conditions, and attractive valuation, WELL Health could be an excellent addition to your portfolio.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NYSE:BB (BlackBerry)
2. NYSE:LSPD (Lightspeed Commerce)
3. TSX:BB (BlackBerry)
4. TSX:LSPD (Lightspeed Commerce)
5. TSX:WELL (WELL Health Technologies Corp.)

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