



## Top TSX Stocks Trading Cheap: Should You Buy Now?

### Description

The stock market continues to slide, with the Ukraine crisis adding more fuel to the fire. I expect the stock market to remain highly volatile in the short term and would not recommend buying stocks for the short term. However, if you have a long-term view and are sitting on surplus cash, now is the time to accumulate some of the top TSX stocks trading cheap.

### Absolute Software

**Absolute Software** ([TSX:ABST](#))([NASDAQ:ABST](#)) stock has corrected nearly 45% from its 52-week high, creating a [good entry point](#) for investors. While the ABST stock is trading cheaper, the company continues to grow its annual recurring revenues and adjusted EBITDA rapidly.

For context, Absolute Software's annual recurring revenues have a mid-teen growth rate, which is encouraging. Meanwhile, its adjusted EBITDA has a CAGR of 51% over the past four years.

Looking ahead, the ongoing strength in its organic business, digital transformation, expansion of product suite, customer acquisitions, higher net dollar retention rate, and increased enterprise spending indicate that Absolute Software could continue to grow rapidly in the coming years. Meanwhile, geographic expansion, opportunistic acquisitions, increasing subscriptions with existing customers, and a growing addressable market provide a solid foundation for growth.

### Dye & Durham

**Dye & Durham** ([TSX:DND](#)) stock has corrected about 39% this year and is trading below \$30. While Dye & Durham shares have lost a considerable portion of their value, the company is growing rapidly and achieving scale.

Dye & Durham's revenues and adjusted EBITDA are growing at a breakneck pace, while its adjusted EBITDA margin remains steady. Dye & Durham's top line increased by 225% during the last reported quarter. Further, its adjusted EBITDA increased by 267% year over year.

Overall, its low valuation (EV/sales multiple of 5.1, well below the historical average), growing geographic footprint, large customer base, product expansion, strategic acquisitions, and robust balance sheet augur well for future growth.

## Lightspeed

**Lightspeed** ([TSX:LSPD](#))([NYSE:LSPD](#)) stock looks highly [attractive at current price levels](#). It has lost over 80% of its value from a 52-week high, while its EV/sales multiple is at a multi-year low. While LSPD stock has erased a substantial portion of its value, its business is expanding fast on the back of the ongoing momentum in the base business and acquisitions.

While Lightspeed stock could stay volatile in the short term, it remains a solid long-term play, as its fundamentals remain intact.

I expect difficult year-over-year comparisons to impact its near-term growth. However, secular industry trends, growing customer base, entry into high-growth markets, and expansion of the addressable market provide a strong base for growth. Also, increased penetration of payments solutions and adoption of multiple modules by customers support my bullish view.

## WELL Health

**WELL Health** ([TSX:WELL](#)) stock has also witnessed significant selling in the recent past. It has corrected more than 56% from its 52-week high and is trading in the red this year. Nevertheless, WELL Health continues to grow rapidly, with its revenue growing at a breakneck pace. Further, it has consistently delivered positive adjusted EBITDA over the past several quarters.

WELL Health's ability to acquire and integrate companies, ongoing strength in the U.S.-focused virtual services, growing omnichannel patient visits, extensive patient services, and a large network of outpatient medical clinics support my bullish outlook and could lead to a recovery in its stock price.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

1. NASDAQ:ABST (Absolute Software)
2. NYSE:LSPD (Lightspeed Commerce)
3. TSX:ABST (Absolute Software)
4. TSX:DND (Dye & Durham Limited)
5. TSX:LSPD (Lightspeed Commerce)
6. TSX:WELL (WELL Health Technologies Corp.)

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