



2 Cheap Growth Stocks I'd Buy Right Now

Description

The ongoing selling in the equity market wiped out billions of dollars from the market cap of top TSX stocks, primarily of those that got a significant boost from the pandemic.

While the volatility in the stock market could stay elevated in the short term, the selloff has created a solid opportunity for investors to accumulate high-quality growth stocks at reasonable prices. Here are two top-quality growth stocks that could deliver above-average returns and trading cheap.

Lightspeed trades at an 84% discount

Shares of **Lightspeed** ([TSX:LSPD](#))([NYSE:LSPD](#)) are crafting lower lows and have dropped more than 84% from its 52-week high. Moreover, it has fallen about 48% this year. The massive correction follows the short report from Spruce Point. Moreover, the expected slowdown in organic sales, fear of inflation and interest rate hikes, and the Russia/Ukraine crisis triggered further selling in LSPD stock.

I see this massive price correction as an excellent opportunity to accumulate Lightspeed stock at current levels. Notably, LSPD stock is trading at a forward EV-to-sales multiple of 3.3, which is the lowest in the company's history and making it [too cheap to ignore](#).

It's worth noting that Lightspeed payments penetration is growing but remains low, indicating substantial growth opportunities in coming years. Meanwhile, Lightspeed is expected to benefit from the ongoing structural shift in selling models towards multi-channel platforms. Further, the expansion of its payments solutions to new geographies and verticals will likely accelerate its growth rate.

Also, the expansion of its products suite, adoption of multiple modules by customers, growing customer base, and opportunistic acquisitions augur well for growth and will likely drive a recovery in its stock price.

Nuvei offering 65% discount

Shares of financial technology company **Nuvei** ([TSX:NVEI](#))([NASDAQ:NVEI](#)) experienced heavy selling in the recent past. Like Lightspeed, the downtrend in Nuvei stock followed the short report from Spruce Point. Moreover, the macroeconomic concerns and uncertainty stemming from Russia's invasion of Ukraine further remained a drag.

Due to the selloff, Nuvei stock has dropped about 51% in three months. Moreover, Nuvei stock has declined by 65% from its 52-week high.

This drop in Nuvei's stock price represents a strong [buying opportunity](#) in this high-growth company. Further, its management confirmed its medium-term revenue and volume outlook following the short report, which is comforting.

Recently, Nuvei announced its 2021 results, wherein its revenues increased by 93%, while organic sales marked 61% growth. Further, Nuvei's net revenue retention rate remains high. Looking ahead, Nuvei's top line could continue to grow at +30%, which is encouraging.

Nuvei's diversified revenue channels, continued addition of new alternative payment methods, and growing addressable market provide a strong base for growth. Meanwhile, its expansion into high-growth verticals, product innovation, the addition of new customers, growth with existing customers, and opportunistic acquisitions suggest that Nuvei could deliver stellar financials in the coming years and deliver strong returns.

Bottom line

Both these TSX stocks have witnessed immense selling in the recent past. Moreover, the current market scenario indicates that these stocks could remain volatile in the near term. However, their low valuation and strong growth prospects make them attractive at current levels.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:NVEI (Nuvei Corporation)
2. NYSE:LSPD (Lightspeed Commerce)
3. TSX:LSPD (Lightspeed Commerce)
4. TSX:NVEI (Nuvei Corporation)

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Date

2025/08/23

Date Created

2022/03/08

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