



## 3 Cheap Growth Stocks That Could Double

### Description

An investment in high-growth stocks could fetch you above-average returns. Meanwhile, due to the sharp selling in the equity market, several high-growth stocks are trading cheap and are reasonably priced.

For context, **Lightspeed** ([TSX:LSPD](#))([NYSE:LSPD](#)), **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)), and **Nuvei** ([TSX:NVEI](#))([NASDAQ:NVEI](#)) stock has dropped by 83%, 63%, and 57%, respectively, over the past six months.

While these growth stocks have lost a substantial amount of value in the recent past, they could easily double in the medium term on the back of secular tailwinds. Despite the normalization in demand trends and short-term volatility, the structural shift towards digitization presents a solid base for growth in these stocks. Further, these companies have multiple growth catalysts. Let's look at some of these growth vectors that support my bullish outlook.

### Lightspeed

The selling in Lightspeed stock is overdone, given the continued momentum in its organic sales and strong growth opportunities. Given the recent selling, Lightspeed's valuation has dropped significantly, and the stock looks [highly attractive at current levels](#). It is trading at a forward EV/sales multiple of 3.3, which is at an all-time low.

While LSPD stock is trading cheap, its business continues to grow fast, with its top line increasing at a breakneck pace. The ongoing strength in its base business and benefits from acquisitions are driving its revenues. Despite tough year-over-year comparisons and normalization in demand trends, its Q3 revenues increased 165%. Meanwhile, organic sales jumped 74%, which is encouraging.

I expect Lightspeed to grow its revenues rapidly, which will lead to a sharp recovery in its stock. I believe acquisitions, the addition of new customers, expansion into high-growth markets, product expansion, and higher revenues from the existing customers will drive its financials and, in turn, its stock price.

## Shopify

The massive drop in Shopify stock is an excellent buying opportunity. It trades at an [EV/sales multiple of 10.2](#), which is at a multi-year low, making it attractive at current levels. Meanwhile, Shopify continues to grow well irrespective of the normalization in growth amid economic reopening.

Shopify is gaining share in the U.S. retail, which is encouraging. Further, it continues to invest in growth and e-commerce infrastructure, which will provide a solid foundation for growth in the long term. The expansion of its product suite, the launch of its products and services into newer geographies, and merchant acquisitions indicate that Shopify's revenues will likely grow rapidly.

Its multi-channel selling platform, ongoing strength in social commerce, strengthening fulfillment network, strong merchant base, and low valuation indicate that Shopify could deliver stellar returns.

## Nuvei

Thanks to the recent selling, Nuvei stock is trading at an EV/sales multiple of eight, which is significantly lower than its historical average. While Nuvei stock is trading cheap, management remains confident to deliver +30% growth in revenues per annum in the medium term, which is encouraging and likely to push its stock price higher.

Its diversified revenues, high net revenue-retention rate, and addition of new alternative payment methods will likely support its growth.

Moreover, its growing addressable market, entry into high-growth verticals like regulated online gaming and e-commerce, and new customer growth are expected to drive its revenues. Moreover, opportunistic acquisitions and higher revenues from existing customers will likely accelerate its growth.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

1. NASDAQ:NVEI (Nuvei Corporation)
2. NYSE:LSPD (Lightspeed Commerce)
3. NYSE:SHOP (Shopify Inc.)
4. TSX:LSPD (Lightspeed Commerce)
5. TSX:NVEI (Nuvei Corporation)
6. TSX:SHOP (Shopify Inc.)

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