



The Best Canadian Stocks to Invest in Now

Description

The correction in the market has created a buying opportunity for investors. With several TSX stocks trading at a significant discount from their peak, let's look at a few that have the potential to bounce back strongly and deliver stellar returns in the medium to long term.

Shopify

The correction in **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) stock represents a [solid opportunity](#) to accumulate it at a massive discount. Shopify stock has declined by about 63% from its 52-week high. Moreover, despite the recovery in the past week, Shopify stock is still down about 50% this year.

The decline in Shopify stock has led to a significant compression in its valuation multiple. Shopify stock is trading at an EV-to-sales multiple of 15.2, much lower than its historical average and even lower than the pandemic lows.

Valuation compression and strong potential for growth make Shopify an attractive investment at current levels. Shopify's ability to expand its market share, new product launch, and growing adoption of its payments solutions will likely drive its performance in the coming years and support its growth.

Furthermore, investments into e-commerce infrastructure, strengthening of its fulfillment network, and growth opportunities in the social commerce segment suggest that Shopify could continue to outperform the broader markets with its growth.

goeasy

goeasy ([TSX:GSY](#)) stock is down about 38% from the peak and looks lucrative, especially as the financial services company continues to grow at a breakneck pace. Notably, goeasy's top and bottom lines have grown at a double-digit rate in the past several years. Moreover, goeasy is on track to deliver solid growth in the coming years due to its strong loan originations, higher repayment volumes, and cost-saving initiatives.

Further, product expansion, omnichannel offerings, and opportunistic acquisitions are expected to accelerate its growth and support its stock.

Besides capital appreciation, goeasy's shareholders will likely benefit from the higher dividend payments. Its strong earnings base has supported the higher dividend payouts in the previous years. goeasy raised its dividend at a CAGR of over 34% in the last seven years and could continue to grow it rapidly in the coming years.

Lightspeed

Given the recent selling, **Lightspeed** ([TSX:LSPD](#))([NYSE:LSPD](#)) stock is trading at a significant discount. Lightspeed stock has dropped over 75% in six months, while its EV-to-sales multiple of 5.1 represents a massive discount from the historical average.

While Lightspeed stock is trading cheap, its revenues are growing rapidly due to continued strength in organic sales and benefits from acquisitions. Lightspeed is positioned well to capitalize on the ongoing migration towards digital.

The expansion of its product suite, growing customer base, entry into newer markets, and increased penetration of payments solutions bode well for growth. Moreover, the adoption of multiple modules by exiting customers is encouraging. Overall, Lightspeed is a [solid long-term stock](#) that is well within investors' reach.

Nuvei

Nuvei ([TSX:NVEI](#))([NASDAQ:NVEI](#)) stock has jumped over 32% in one month. However, it is still down about 51% from the 52-week high.

It's worth noting that Nuvei continues to expand rapidly on the back of its diversified revenue base, customer additions, high retention rate, and entry into high-growth verticals. Moreover, its growing addressable market, expansion of new alternative payment methods, and opportunistic acquisitions suggest that Nuvei's revenues could continue to grow fast.

Notably, Nuvei expects its top line to increase by +30% per annum over the medium term and projects a 50% EBITDA margin in the long term.

Its low valuation, momentum in the base business, and strong growth opportunities indicate that Nuvei could deliver solid financials in the coming years and outperform the benchmark index with its returns.

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:GSY (goeasy Ltd.)
5. TSX:LSPD (Lightspeed Commerce)
6. TSX:NVEI (Nuvei Corporation)
7. TSX:SHOP (Shopify Inc.)

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