



Got \$300? Top TSX Stocks to Buy and Hold Forever

Description

2022 hasn't been good for equity investors, as several TSX stocks lost a significant amount of value. The uncertainty related to the macro and geopolitical headwinds and growth concerns have led to sharp selling in stocks. However, this created an investment opportunity.

So, if one can spare \$300, this article will focus on stocks trading at a reasonable valuation and offer high growth. Buying and staying invested in these stocks could generate solid returns in the long term.

Absolute Software

Let's begin with **Absolute Software** ([TSX:ABST](#))([NASDAQ:ABST](#)), which has dropped considerably from its high amid the moderation in growth and macro concerns. It's worth noting that Absolute Software benefitted from the accelerated shift towards digital amid the pandemic. However, concerns around growth amid the economic reopening led investors to book profits.

While I expect Absolute Software's growth to normalize, the higher enterprise spending on digitization could continue to drive its financials and, in turn, its stock. Notably, Absolute Software stock is trading cheap on valuation, while its ARR (annual recurring revenues) are growing at a healthy double-digit rate.

Furthermore, new product launches, customer acquisitions, higher enterprise and government spending, and a high retention rate provide a solid foundation for growth. Moreover, its growing global footprint, strategic acquisitions, and expansion of its addressable market would likely support its growth.

Overall, its low valuation and strong growth potential make it an [attractive long-term bet](#).

WELL Health

WELL Health ([TSX:WELL](#)) is another top-quality stock that has witnessed significant selling. The

decline in WELL Health stock has led to a compression in its valuation while it continues to grow its business at a breakneck pace.

Its extensive omnichannel services, a large network of outpatient medical clinics, and strength in the U.S.-based business indicate that WELL Health is positioned well to capitalize on the higher digital penetration in the healthcare segment. Further, its opportunistic acquisitions accelerate its growth and solidify its competitive positioning.

WELL Health's top line is growing rapidly, while it continues to deliver positive adjusted EBITDA, which is encouraging.

Lightspeed

The final stock on this list is **Lightspeed** ([TSX:LSPD](#))([NYSE:LSPD](#)), which has [dropped about 75%](#) in six months and trades at a steep discount. For context, Lightspeed stock is trading at a forward EV/sales ratio of 5.6, which is significantly lower than the historical average.

While Lightspeed stock dropped significantly, it continues to grow its revenues at a solid pace, despite difficult year-over-year comparisons. Notably, Lightspeed delivered solid organic sales during the last reported quarter. Moreover, the ongoing shift towards omnichannel platforms presents a multi-year growth opportunity for Lightspeed.

Along with the strength in its base business, Lightspeed continues to benefit from its acquisitions that accelerate its growth and drive its customer base. Moreover, expansion into high growth verticals, increased payments penetration, and new products augur well for growth. Lightspeed stated that an increased number of its customers are adopting multiple modules, which is expected to drive its average revenue per user.

Overall, Lightspeed has corrected quite a lot, while its multiple growth catalysts suggest strong upside potential.

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:LSPD (Lightspeed Commerce)
5. TSX:WELL (WELL Health Technologies Corp.)

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