



## Tech Selloff: 2 Growth Stocks Canadians Can Buy for the Long Run

### Description

There are many factors that impact the stock prices of companies. In the last six months, several macroeconomic factors have weighed heavily on equity investors. Some of these include rising inflation numbers, supply chain disruptions, higher commodity prices, the ongoing conflict between Russia and Ukraine, as well as the possibility of multiple interest rate hikes.

We can see why several growth stocks have fallen off a cliff in the last six months. An inflationary environment coupled with rising interest rates will impact the revenue and profit margins of companies.

Alternatively, investors should understand that falling stock prices do not imply a company's fundamentals are weak. Several firms reported solid results in Q4 but saw a decline in share prices due to the lowering of valuation multiples.

Here, we'll look at two such beaten-down [tech stocks](#) investors should buy right now.

### DocuSign

**DocuSign** ([NASDAQ:DOCU](#)) went public in April 2018 and has since returned 152% to investors, despite trading 68% below all-time highs. Valued at [a market cap](#) of US\$19.8 billion, the company has increased sales from US\$700.9 million in fiscal 2019 to US\$2.1 billion in fiscal 2022, which ended in January.

DocuSign is among the largest players in the cloud-based digital signature vertical. It reduces the time required by businesses and individuals for signing contracts and other documents. Further, DocuSign's eSignature offering can be tailored to meet specific needs and is available in several languages.

The company's top line has grown at an annual rate of 39% in the last three years. Its revenue was up 35% in fiscal Q4 of 2022 and is forecast to expand by 17.4% to US\$2.5 billion in fiscal 2023. We can see DOCU stock is valued at a forward price-to-sales multiple of 7.9 and a price-to-earnings multiple of 51, which might seem expensive.

However, DocuSign estimates its total addressable market at US\$50 billion, giving it enough room to grow its revenue in the upcoming decade. Analysts tracking DOCU stock have a 12-month average price target of US\$122, which is 22% above its current trading price.

## Mogo

Canadian fintech company **Mogo** ([TSX:MOGO](#))([NASDAQ:MOGO](#)) is valued at a market cap of \$275 million. MOGO stock surged over 17% after it announced Q4 results earlier this week.

In Q4 of 2021, [Mogo reported revenue](#) of \$17 million — an increase of 70% year over year. It was Mogo's fourth consecutive quarter of increasing revenue growth. However, its net loss widened to \$9.7 million compared to a loss of \$3.2 million in the year-ago period. Mogo reported a loss per share of \$0.14, missing consensus loss per share estimates of \$0.10 per share.

During its earnings call, Mogo CFO Greg Feller emphasized that subscription and services revenue in Q4 exceeded its guidance range on the back of strategic acquisitions and a diversified portfolio of products and revenue streams.

Mogo also announced the launch of a new business unit called Mogo Ventures, which will manage existing investments in strategic partners and companies. It includes Mogo's 39% stake in Coinsquare, a Canadian cryptocurrency exchange as well as investments in digital assets such as **Bitcoin** and **Ethereum**.

Mogo forecasts 2022 sales between \$75 million and \$80 million compared to sales of \$57.5 million in 2021. While still unprofitable, MOGO stock is valued at a price-to-sales multiple of 3.5, which is quite reasonable. Bay Street analysts expect MOGO stock to surge by 150% in the next 12 months.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

1. NASDAQ:DOCU (DocuSign)
2. NASDAQ:MOGO (Mogo Inc.)
3. TSX:MOGO (Mogo Inc.)

### PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

## PP NOTIFY USER

1. araghunath
2. kduncombe

## Category

1. Investing
2. Tech Stocks

## Date

2025/08/17

## Date Created

2022/03/25

## Author

araghunath

default watermark

default watermark