



2 Value Stocks With Solid Upside Potential

Description

With the recent correction in the market, several Canadian stocks are offering great value. However, investors should take caution, as there could be good reasons why a stock is down. Thus, investors looking for value bets should consider adding shares of the companies that have witnessed a decline but continue to expand their business rapidly. Let's look at two Canadian corporations that continue to deliver solid financials, and their shares are trading at a significant discount.

WELL Health

The economic reopening and general selling in the market wiped out a significant amount of value from **WELL Health Technologies's** ([TSX:WELL](#)) market cap. For instance, WELL Health stock is down over 41% from its 52-week high. The pandemic accelerated the demand for the services and products of this digital healthcare company. However, fears of a slowdown in growth amid the easing of lockdown measures led investors to offload WELL Health stock.

Despite tough comparisons and economic reopening, WELL Health continues to grow rapidly, which is reflected through its stellar financial performance and higher patient visits. WELL Health announced 573% year-over-year growth during the last reported quarter. Meanwhile, its omnichannel patient visits more than doubled and reached 700,359.

It's worth noting that WELL Health has consistently delivered positive adjusted EBITDA over the past several quarters. Moreover, it remains on course to deliver profitable growth in 2022, which could boost [its stock](#).

The continued momentum in its organic revenue and benefits from acquisitions are likely to drive its financials. Moreover, strength in the U.S. business, growing omnichannel patient visits, and an extensive network of outpatient medical clinics will likely accelerate its growth and support its stock price. Further, WELL Health stock is trading at a forward EV/sales multiple of three, which is at a multi-year low and provides a solid entry point.

Lightspeed

Lightspeed ([TSX:LSPD](#))([NYSE:LSPD](#)) has bounced back from its lows and is up about 31% in one month. Despite the recent recovery, Lightspeed Commerce stock is still down about 75% from its highs and offers significant value at current levels.

A short report on Lightspeed stock and slowdown in growth amid economic reopening led investors to dump its stock. Nevertheless, Lightspeed continues to deliver stellar growth, reflecting benefits from acquisitions and higher organic sales.

Notably, Lightspeed's revenues increased by 165% during the last reported quarter, reflecting benefits from recent acquisitions and solid organic growth. Moreover, its customer base continues to expand, which is positive.

The ongoing digital shift, product expansion, and higher payments penetration augur well for growth. Moreover, expansion into high-growth markets, strategic acquisitions, and adoption of its multiple modules by existing customers will likely accelerate its growth.

Due to the correction in its price, Lightspeed stock is trading at an EV/sales multiple of 5.8, which compares favourably to its historical average and reflects a steep discount.

Bottom line

Shares of WELL Health and Lightspeed are trading at [an attractive discount](#) and offer solid value at current levels. Further, both these Canadian corporations continue to grow their financials rapidly and have multiple growth vectors that would support the recovery in their stocks.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NYSE:LSPD (Lightspeed Commerce)
2. TSX:LSPD (Lightspeed Commerce)
3. TSX:WELL (WELL Health Technologies Corp.)

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Date

2025/06/30

Date Created

2022/04/05

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