Down Over 40%: 2 Canadian Growth Stocks to Buy on the Dip

Description

As we've seen so far throughout 2022, some of the best-performing stocks in recent years are many of the same stocks that have been underperforming this year and selling off severely. So, if you're looking to buy Canadian stocks on the dip, high-quality growth stocks are some of the best to look for.

The key is to ensure that the stocks you're buying are high-quality businesses you plan to own for years. In addition, because there are so many high-quality stocks to buy on the dip, you'll want to make sure you're buying the cheapest stocks possible to get the most bang for your buck.

With that in mind, here are two of the best Canadian growth stocks to buy on the dip, each trading down at least 40% from their recent highs.

One of the best Canadian financial stocks to buy while it's cheap

One of the best growth stocks in recent years, and a company that still has a long runway of growth going forward, is **goeasy** (TSX:GSY), the specialty finance company.

goeasy already had an attractive business model, but it's been the company's execution in recent years that has allowed it to perform so well.

The company, which primarily provides loans to consumers with below prime credit ratings, has done an incredible job of growing its business and expanding its operations. Even more impressive, though, has been the fact that its financials and loan portfolio have stayed robust.

This has allowed goeasy to rapidly increase its net income each year, which is what's led to such impressive growth in the share price — that is, until recently.

Today, the stock is trading down roughly 43% from its 52-week high, offering investors an incredible opportunity to buy one of the best Canadian growth stocks in Canada.

Right now, goeasy trades at a forward price-to-earnings ratio of 10.4 times. That's cheap for any company, but considering goeasy has been one of the best and most impressive Canadian growth stocks in recent years, it's clear that at this price, it's one of the best to buy now.

One of the cheapest stocks for Canadian investors to consider today

In addition to goeasy, another stock trading at an unbelievably cheap valuation is **AcuityAds Holdings** (TSX:AT)(NASDAQ:ATY). While goeasy has been an impressive growth stock lately, AcuityAds has experienced some growing pains.

Nevertheless, it's still one of the highest potential and best Canadian growth stocks you can buy, especially when you consider just how cheap the stock is today.

Right now, the stock has a market cap of roughly $245 million and an enterprise value (EV) of roughly $150 million. Clearly, the stock is already low in value. But when you compare its value to its estimated sales and EBITDA over the next year, AcuityAds is not just a cheap growth stock. It's one of the cheapest stocks in Canada.

Right now, AcuityAds trades at a forward EV-to-revenue ratio of 1.1 times and a forward EV-to-EBITDA ratio of 7.1 times. Both of these valuations are cheap for any stock, let alone a high-potential growth stock.

Therefore, if you're looking to take advantage of the recent selloff in growth stocks, there is no question that AcuityAds is one of the best and cheapest you can buy now.

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3. TSX:ILLM (AcuityAds)

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Date
2025/09/28
Date Created
2022/04/13
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