3 Cheap Canadian Stocks I'd Buy Now

**Description**

The macro and valuation concerns stalled the rally in several high-growth TSX stocks and eroded a considerable portion of the gains. Due to the significant selling, several TSX stocks are trading at a substantial discount from their highs and look attractive investments at current price levels. Let's look at three stocks that are trading cheap but have strong potential for growth.



## Lightspeed

**Lightspeed** (TSX:LSPD)(NYSE:LSPD) stock was hit hard by a short report by Spruce Point. Further, concerns over growth and general selling in the market amid rising macro headwinds remained a drag. Due to the selloff, Lightspeed stock has lost over 81% of its value from the peak. It is trading at an EV/sales multiple of 4.1, which is lower than the pre-pandemic levels and at a multi-year low.

This correction in price provides an excellent opportunity for buying Lightspeed stock now. Despite concerns, its organic revenue continues to grow rapidly. Further, management projects to sustain 35-40% growth in its organic revenue per annum in the coming years, which is encouraging.

Lightspeed could continue to benefit from the ongoing shift towards omnichannel platforms. Furthermore, higher payments penetration, higher revenue from existing customers, and expansion of products augur well for growth. Also, opportunistic acquisitions are likely to accelerate its growth.

Overall, its low valuation and ongoing strength in the business make it an attractive long-term investment.

## WELL Health

Like Lightspeed, the expected slowdown in growth amid economic reopening and selling in the market weighed on **WELL Health** (TSX:WELL). The digital healthcare company has lost a substantial market value, represented by a 47% decline in its stock price from its high.

It's worth noting that the market anticipated a slowdown in WELL Health's financials upon easing of lockdown measures. However, WELL Health continued to deliver stellar growth and expects the momentum to sustain in the coming years.

WELL Health's top line continues to benefit from higher omnichannel patient visits. Moreover, it continues to deliver positive adjusted EBITDA. The company expects strength in the organic revenue, higher patient visits, and an extensive network of outpatient medical clinics to support its growth. Further, acquisitions are likely to accelerate its growth.

WELL Health stock is trading at an EV/sales ratio of 2.8, reflecting a massive discount from its historical average. Further, it expects to deliver profitable growth in 2022, supporting my bullish view.

## Absolute Software

**Absolute Software** (TSX:ABST)(NASDAQ:ABST) is the final stock on this list. The demand for its products and offerings accelerated amid the pandemic as enterprises increased cybersecurity and digital transformation spending. However, economic reopening led investors to sell Absolute Software stock, which has declined about 47% from its 52-week high.



Due to the selloff, Absolute Software stock is trading at an EV/sales multiple of 2.9, which is attractive and represents a solid buying opportunity.

Further, Absolute Software is expected to benefit from the continued strength in its annual recurring revenues. Additionally, higher spending in the enterprise and government segments, ongoing digital shift, expansion of its product suite, and higher retention bode well for growth. Also, benefits from acquisitions, large addressable market, up-selling opportunities, and geographic expansion provide a solid base for growth.

**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.)

**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. kduncombe
2. snahata

**Category**

1. Investing
2. Tech Stocks

**Date**
2025/06/30
**Date Created**
2022/04/19
**Author**
snahata