



3 Canadian Growth Stocks Available at Substantial Discounts

Description

Amid the Russia-Ukraine conflict, many countries have imposed sanctions on Russia. Investors fear that these sanctions could impact global economic expansion. The rising inflation and an expectation of multiple rate hikes have dragged growth stocks down. However, the steep correction has created buying opportunities in the following three Canadian stocks.

goeasy

Amid the weakness in the growth stocks, **goeasy** ([TSX:GSY](#)) has lost close to 40% of its stock value compared to its September highs. The pullback has also dragged its valuation down, with its NTM price-to-earnings multiples at 11.1.

With the relaxation of the COVID-related restrictions, the economic activities have improved, driving loan originations. Amid the growing addressable market, the company is focusing on strengthening its distribution channels, entering new markets, and adding new business verticals to drive growth. The company's management has provided a [healthy outlook for the next three years](#). It expects the company's loan portfolio to grow by 80% during the period. Also, it could maintain an operating margin of over 35% while delivering a return-on-equity of over 22%.

So, given its healthy growth potential and attractive valuation, I believe [goeasy would be an excellent buy for long-term investors](#). It has also hiked its dividend at a CAGR of above 34% since 2014, which is encouraging.

Lightspeed Commerce

Lightspeed Commerce ([TSX:LSPD](#))([NYSE:LSPD](#)) is trading over 80% lower than its 52-weeks high. The short report from Spruce Point Capital, an expectation of growth moderation due to the reopening of the economy, and anticipation of rate hikes have dragged the company's stock price down. After the recent correction, the company is trading at an NTM price-to-sales multiple of 5.6, substantially lower than its historical average.

The pandemic has prompted a structural shift towards online shopping. So, more businesses are adopting the omnichannel selling model, expanding the addressable market for Lightspeed Commerce. Meanwhile, the company introduces new products, expands its presence to new markets, and makes strategic acquisitions to drive growth. Despite the concerns over growth moderation, the company's management hopes to sustain 35-40% of organic revenue growth in the near term.

So, considering all these factors, I believe Lightspeed Commerce would be an excellent buy at these levels.

Nuvei

Nuvei ([TSX:NVEI](#))([NASDAQ:NVEI](#)) is another stock that has lost over 50% of its stock value compared to its 52-weeks high. However, I believe the steep pullback has provided an excellent buying opportunity for long-term investors, given its multiple growth drivers.

The growth in e-commerce has made digital payments popular, expanding the addressable market for Nuvei, which facilitates digital transactions across 200 markets and supports 530 local and alternative payment methods, including cryptocurrencies. Meanwhile, the company is expanding its products to new markets, broadening its product offerings with innovative product launches, adding alternative payment methods, and making strategic acquisitions to drive growth.

The expansion of regulated online gaming and sports betting space and growing crypto transactions could also support Lightspeed's growth in the coming years. Its volumes and revenue could grow over 30% in the medium term, while its adjusted EBITDA margin could reach over 50% in the long run. So, I am bullish on Nuvei.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NASDAQ:NVEI (Nuvei Corporation)
2. NYSE:LSPD (Lightspeed Commerce)
3. TSX:GSY (goeasy Ltd.)
4. TSX:LSPD (Lightspeed Commerce)
5. TSX:NVEI (Nuvei Corporation)

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. rnanjapla

Category

1. Investing

Date

2025/08/25

Date Created

2022/04/20

Author

rnanjapla

default watermark

default watermark