# The 2 Best TSX Growth Stocks to Buy Cheap

### Description

Growth stocks have lost steam in 2022. A confluence of factors, including high inflation, supply concerns, rising interest rates, and Russia's invasion of Ukraine, dented investors' confidence and weighed on shares of several high-growth companies.



However, this represents an excellent opportunity to buy and hold top-quality growth stocks at reasonable prices. However, investors should note that the macro headwinds could keep the volatility elevated in growth stocks in the short term. Against this background, here are my top two long-term picks to outshine the broader market averages by a wide margin.

## Shopify

Shares of the e-commerce platform provider **Shopify** (TSX:SHOP)(NYSE:SHOP) appear highly attractive at current price levels. Growth concerns, pressure on margins from a planned increase in investments, and tough comparisons have taken a toll on Shopify stock. It's worth noting that Shopify stock has lost about 74% of its value from the 52-week high. Meanwhile, it has decreased by more than 66% this year. This correction has created a solid entry point for long-term investors.

Management expects economic reopening and tough comparisons to weigh upon its growth during the first half of this year. However, growth is likely to reaccelerate in the second half, as the company faces easier comparisons and will likely benefit from its investments.

Furthermore, Shopify's incremental investments in e-commerce infrastructure will likely provide a platform for long-term growth. Moreover, product expansion, growing international footprint, and addition of newer merchants to its platform augur well for growth. Also, strength in social commerce, strengthening of fulfillment network, and increased adoption of its payment offerings are expected to support its growth.

Shopify stock is trading cheap (EV/sales multiple of 8.8 at multi-year low). Meanwhile, its multiple growth catalysts indicate that it could continue to impress with its financial performance in the coming years.

## goeasy

The subprime lender **goeasy** (TSX:GSY) has made its investors rich. The sustained momentum in its business and ability to grow its revenue and earnings at a double-digit rate for over a decade has led to a stellar rally in its stock. Furthermore, goeasy bolstered its shareholders' returns by increasing its dividend at a CAGR of 34.5% in the past eight years.

While goeasy stock has outperformed the broader markets over the past several years, it has witnessed a pullback in the recent past. Given the recent selling, goeasy stock corrected over 32% this year and is trading at a forward P/E multiple of 10.1, which is below its historical average.

Looking ahead, goeasy projects double-digit growth in its revenues. Higher loan origination, an increase in loan ticket size, and product expansion will likely drive its top line. Further, a large subprime lending market, benefits from acquisitions, and new sales channels augur well for growth.

It's worth noting that higher revenues, strong credit performance, and its focus on operating leverage will likely cushion goeasy's bottom line. Further, its high-quality earnings base indicates that goeasy could continue to hike its dividend rapidly.



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