Tech Selloff: 2 Growth Stocks Investors Can Buy Today

Description

It's been a tough ride for equity investors in 2022. Growth stocks that generated exponential returns to investors in the past decade have seen a massive erosion in their market caps in the last six months. The tech-heavy Nasdaq Composite index has re-entered bear market territory, while the S&P 500 has declined over 10% year to date.

Yes, the steep decline in valuations of growth stocks can be scary, even for seasoned investors. However, given historical trends, it makes sense to buy the dip in growth stocks and benefit from dollar-cost averaging, as it is impossible to time the market. Further, each and every notable decline in the past has been wiped out by a sustained bull market rally.

Let's take a look at two beaten-down growth stocks investors can buy right now.

AcuityAds

Valued at a market cap of $254 billion, **AcuityAds** (TSX:AT)(NASDAQ:ATY) is down 87% from all-time highs. AcuityAds provides digital media solutions to enterprises and offers a programmatic marketing platform for advertisers to connect with audiences across social, mobile, video, and online display campaigns.

AcuityAds increased its sales from $70 million in 2018 to $119 million in 2019. Due to lower ad spending by enterprises amid COVID-19, its revenue fell to $105 million in 2020 before rising to $122 million in 2021.

In Q4 of 2021, AcuityAds reported sales of $36.8 million — an increase of 5% year over year. Its top-line growth surged by 34% sequentially, due to illumin, which is the company's marketing platform. In the quarter ended in December, illumin sales stood at $10.2 million, accounting for 28% of total revenue.

AcuityAds stated connected TV segment revenue almost tripled year over year in Q4, allowing it to end the quarter with a net income of $2.5 million. Its operating cash flow also improved to $3.6 million in

Q4, compared to $3.4 million in the year-ago period.

Analysts tracking AcuityAds expect sales to rise by 20% to $146.6 million in 2022 and by 19% to $174 million in 2023. We can see that the stock is valued at 1.6 times forward sales, making it an attractive bet for growth and value investors.

WELL Health

Shares of **WELL Health** (TSX:WELL) have increased by a monstrous 4,200% since its IPO in 2016. However, WELL stock is also down 51% from all-time highs, valuing it at $992 million, by market cap. The health-tech company has grown its revenue from less than $6 million in 2018 to $302 million in 2021 on the back of highly accretive acquisitions and pandemic-influenced tailwinds.

In Q1 of 2022, WELL stock expects sales to exceed $120 million, indicating an annual run-rate of almost $500 million. This will allow the company to report adjusted EBITDA of more than $20 million and a free cash flow of $10 million.

WELL's patient visits surpassed one million in Q1, which is a leading indicator of its business. We can see the company continues to execute operationally given its rising revenue and expanding profit margins.

Analysts tracking the stock expect sales to rise by 68% to $508 million, which suggests WELL Health is valued at 1.8 times forward sales. Bay Street has a consensus price target of $9.77 for WELL stock which is 100% above its current trading price.

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