



## 3 Canadian Growth Stocks to Buy in May 2022

### Description

The macro and geopolitical concerns have led to a selloff in growth stocks and made them unattractive. However, a few Canadian stocks continue to grow their financials at a solid double-digit rate and are poised to outperform the broader market averages in the long term. Further, the recent selling in these shares has made them attractive on the valuation front, implying a good buying opportunity. Let's look at three growth stocks that have witnessed a price correction but have strong fundamentals for growth.

### WELL Health

**WELL Health** ([TSX:WELL](#)) stock is a solid bet for investors to [outperform the broader markets](#) in the long term. This digital healthcare company has been growing rapidly, even when the world has reopened, which is encouraging.

It recently announced that it would deliver stellar Q1 performance with record top-line growth. It expects its Q1 revenue to be more than \$120 million. Further, the key highlight was the strong growth in its omnichannel patient visits. For instance, its omnichannel patient visits increased by 62% year over year in Q1, while it improved by 10% quarterly.

It's worth noting that WELL Health's management remains upbeat and expects to deliver stellar financial and operating performance in 2022. It projects to deliver solid organic revenue. Moreover, acquisitions will further accelerate the pace of its growth. WELL Health's growing omnichannel patient visits, an extensive network of outpatient medical clinics, and ongoing strength in the U.S. business position it well to deliver profitable growth in 2022.

On the valuation front, WELL Health stock is trading at an EV/sales multiple of 2.7, which is significantly lower than its historical average. Overall, its low valuation and high growth support my bullish outlook.

## Absolute Software

**Absolute Software** ([TSX:ABST](#))([NASDAQ:ABST](#)) has consistently delivered double-digit organic revenue over the past several quarters. On average, its total annual recurring revenues have grown at a mid-teens rate in the past five quarters. Further, the higher mix of recurring revenues, strong enterprise spending, and strong profitability (adjusted EBITDA growing at a CAGR of 51% since FY18) bode well for growth.

Looking ahead, Absolute Software could continue to benefit from higher annual recurring revenues. New customer wins, high retention rate, increasing enterprise and government spending amid digital shift, large addressable market, and the expansion of its product suite provide a solid base for future growth. Also, opportunistic acquisitions and geographic expansion will likely support its growth.

While Absolute Software is growing rapidly, its stock is trading at an EV/sales multiple of 2.9, which is low and provides an excellent entry point.

## Nuvei

Payment technology company **Nuvei** ([TSX:NVEI](#))([NASDAQ:NVEI](#)) is another [must-have growth stock](#) for the long term. While its stock has corrected quite a lot, the ongoing digital shift, strong volumes, and customer acquisitions provide a solid platform for multi-year growth.

It's worth noting that Nuvei expects the ongoing momentum in its business will likely sustain and expects to grow its volumes and revenue at a CAGR of over 30% in the medium term.

The addition of new alternative payment methods, expansion into new markets, benefits from the growing demand for crypto and increased penetration of e-commerce augur well for growth. Further, Nuvei's entry into high-growth verticals, higher revenue from existing customers, and opportunistic acquisitions will likely support Nuvei stock.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

1. NASDAQ:ABST (Absolute Software)
2. NASDAQ:NVEI (Nuvei Corporation)
3. TSX:ABST (Absolute Software)
4. TSX:NVEI (Nuvei Corporation)
5. TSX:WELL (WELL Health Technologies Corp.)

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