3 High-Growth TSX Stocks to Buy Amid the Ongoing Weakness

Description

It's certainly not the market for growth stocks these days. Many tech names that were flying high last year have lost more than half of their value in the last few months. Fast-rising interest rates have notably weighed on their growth outlook.

However, some of them have now come to an attractive level, and the decline from here looks limited. Thus, discerned investors should start accumulating some of these TSX stocks at current levels.

The Fed's hawkish stance could continue to weigh on these names for the next few months. However, from the current valuation perspective and considering the fall so far, these TSX stocks look attractive for the long term.

goeasy

Since last September, Canada's fast-growing consumer lender stock **goeasy** (TSX:GSY) has declined 50%.

goeasy is a $1.7 billion consumer lender that caters to a large addressable market. It primarily lends to non-prime borrowers that traditional financial institutions do not cater to.

The lender saw increased loan originations and improved repayment patterns amid normalizing economic growth in the last few quarters.

Despite being in a risky industry, goeasy has shown outstanding financial growth in the last two decades. Its revenues and net income grew by 12% and 36% CAGR in the last 10 years.

Driven by a growing product base, increased cross-selling opportunities, and expanded distribution channels, goeasy will see meaningful shareholder value creation in the long term.

GSY stock is trading 11 times its earnings and looks attractive from the valuation perspective. Oncethe broader market tumult calms, GSY stock should reverse and climb towards its last year's highs.

Shopify

If 80% correction is not a good entry point for a stock like **Shopify** (TSX:SHOP)(NYSE:SHOP), then what is?

Rising rates, margin compression, and a weaker growth outlook brought the stock to its 20-month lows. However, the management is confident of the above-average operational and financial growth in the long term.

For the first quarter of 2022, Shopify reported total revenues of $1.2 billion against $988 million in the same quarter of 2021. However, its bottom line tumbled during the quarter, despite higher revenues, which accelerated the drop further.

However, higher spending on e-commerce, product expansion, and its growing market share in a large addressable market will likely bode well for Shopify's earnings growth. As earlier stated, SHOP stock should change the course once volatility in the broader market subsides.

Birchcliff Energy

Birchcliff Energy (TSX:BIR) is one strong name from the energy sector for long-term investors. Unlike the other two, BIR stock is rallying and has gained 190% since last year.

The company is projected to turn debt-free by the end of 2022, thanks to its superior free cash flow growth. It also doubled its quarterly dividend to $0.02 per share after a record performance in Q1 2022. Though the yield is trivial at the moment, Birchcliff offers striking total-return potential.

Its strong balance sheet, robust earnings growth outlook, and higher natural gas prices should play well for BIR stock and its investors.

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2. TSX:BIR (Birchcliff Energy Ltd.)
3. TSX:GSY (goeasy Ltd.)
4. TSX:SHOP (Shopify Inc.)

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