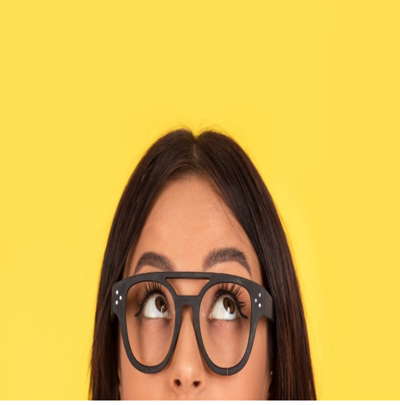

3 Beaten-Down Growth Stocks Trading at Massive Discounts to Wall Street Estimates

Description

The **Nasdaq Composite** index entered bear market territory earlier this year, as overvalued tech stocks were completely decimated in recent months. While there is a good chance for equities to move lower, it's important to understand that every bear market has been followed by a sustained bull run, driving indices such as the S&P 500 towards all-time highs time and again.

Here, we'll look at three such beaten-down growth stocks that could stage a comeback once market sentiment improves.

GreenPower Motors

In the last five years, shares of **GreenPower** (TSXV:GPV) (NASDAQ:GP) have returned 30% to investors. However, the stock is now down 87% from all-time highs. The company designs, manufactures, and distributes electric vehicles for commercial markets in North America. Its suite of electric-powered vehicles includes school buses, cargo vans, and transit buses.

GreenPower's most popular vehicle is the EV Star Light Truck, followed by the BEAST school bus. In the fiscal Q3 of 2022 which ended in December, GreenPower delivered 15 Star Light vehicles and eight BEAST buses, allowing the company to more than double sales to $5.3 million.

Further, GreenPower improved its gross margins to 27.8% in Q3, compared to 21.5% in the year-ago period. It ended the December quarter with an inventory of $28.6 million, including $10.7 million in ready-to-ship automobiles.

GreenPower is forecast to increase sales from $11.9 million in fiscal 2021 to $24.74 million in fiscal 2022 and $46.7 million in fiscal 2023. Its adjusted loss per share is also forecast to narrow from $0.56 in 2022 to $0.21 in 2023.

Given consensus estimates, GPV stock is trading at a discount of 400% at current prices.

Cresco Labs

One of the largest cannabis companies in the world, **Cresco Labs** (CNSX:CL) is valued at $1.5 billion by market cap. In 2021, the company's sales rose by 73% year over year to US$822 million, as it doubled its dispensary count to 46.

The company is well poised to deliver stellar revenue growth in 2022 due to the recent wave of marijuana legalization south of the border as well as its acquisition of **Columbia Care**, a transaction valued at US$2.1 billion.

Cresco Labs has managed to maintain its leadership position across product verticals such as flowers, vapes, and concentrates. The recently announced acquisition of Columbia Care will increase the total dispensary count to 130 across 18 states.

Cresco stock is down 76% from all-time highs and is trading at a discount of over 200% compared to Wall Street estimates.

Roku

The final beaten-down growth stock on my list is streaming giant **Roku** (NASDAQ:ROKU), which is trading 84% below all-time highs, valuing it at US$10.8 billion by market cap. In Q1 of 2022, Roku's sales rose by 28% year over year, while the gross margin surged by 12%.

The number of active accounts on Roku grew by 14% while streaming hours and average revenue per user rose by 14% and 34%, respectively. These metrics are important to Roku, as it shows the company's expanding customer base and how they are being monetized.

It's on track to increase sales by 34% to US$3.71 billion, which indicates the stock is valued at 2.9 times forward sales, which is quite reasonable. Roku stock is also trading at a discount of 110% compared to analyst price target estimates.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. CNSX:CL (Cresco Labs Inc.)
2. NASDAQ:GP (GreenPower Motor Company Inc.)
3. NASDAQ:ROKU (Roku)
4. TSXV:GPV (GreenPower Motor Company Inc.)

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