These 3 Tech Stocks Look Attractive After a Steep Correction

Description

Amid multiple rate hikes, an expectation of growth moderation, and expensive valuations, the tech space has witnessed a selloff over the last few months. However, the steep correction has provided excellent buying opportunities in the following three stocks.

Nuvei

Amid solid performance in the first quarter and improvement in investors' sentiments, **Nuvei's** (TSX:NVEI)(NASDAQ:NVEI) stock price has increased by 14.6% since posting its first-quarter earnings. Despite the rise, the company is still trading over 65% lower than its September highs, while its NTM price-to-sales multiple stands at 6.7, which is lower than its historical average.

During the first quarter, the company's revenue and adjusted EBITDA increased by 43% and 40%, respectively. Strong volume growth of 42% to $29.2 billion, with e-commerce representing 88% of total volume, drove the company's top line. Meanwhile, its net income declined from $27.8 million to $4.5 million amid increased expenses due to employee share-based payments. However, removing one-time items, the company's adjusted net income grew by 35% to $69.1 million.

After reporting an impressive first-quarter performance, Nuvei's management has reiterated its guidance for this year. Meanwhile, the management projects its volumes and revenue to grow over 30% in the medium term, while its adjusted EBITDA margin could cross 50% in the long run. So, given its discounted stock price, improving financials, and healthy growth potential, I expect Nuvei to deliver solid returns in the long run.

BlackBerry

BlackBerry (TSX:BB)(NYSE:BB) is another stock that has witnessed substantial buying over the last two days, with its stock price rising by 19%. Despite the surge, the company trades 69% lower than its 52-week high. So, I believe it is an excellent time to acquire the stock for long-term investors.

With the growing demand for cybersecurity solutions, BlackBerry focuses on adding new products and strengthening its sales forces to expand its customer base.

Through its QNX system, the company has acquired a substantial market share in the in-car operating systems. With the rising demand for safety-critical foundation solutions, the company could further strengthen its position. Its intelligent vehicle data platform, IVY, could be a strong growth driver in the coming years. It has received requests from OEMs to start proof-of-concept. So, given its growth potential, I am upbeat about BlackBerry at these levels.

Lightspeed Commerce

With many small- and medium-scale enterprises taking their businesses online, the market for **Lightspeed Commerce** (TSX:LSPD)(NYSE:LSPD) is rising. Meanwhile, the company is also introducing new, innovative products, expanding its international presence, and making strategic acquisitions to strengthen its market share. Its expanding customer base and growing average revenue per customer augur well with its growth. Given the favorable market conditions, the company's management is optimistic about achieving 35-40% organic growth in the coming years.

Over the last two trading days, Lightspeed Commerce has witnessed substantial buying, with its stock price rising by 34%. Despite the rise, it trades above 83% lower than its 52-week highs. Its valuation also looks attractive, with its NTM price-to-sales multiple standing at 4.7, substantially lower than its historical average. So, given its cheap valuation and healthy growth potential, Lightspeed Commerce would be an excellent buy for long-term investors.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:NVEI (Nuvei Corporation)
2. NYSE:BB (BlackBerry)
3. NYSE:LSPD (Lightspeed Commerce)
4. TSX:BB (BlackBerry)
5. TSX:LSPD (Lightspeed Commerce)
6. TSX:NVEI (Nuvei Corporation)

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