



## 2 Growth Stocks Available at Discounts: Should You Buy?

### Description

The last six months have been incredibly painful for stock market investors. The overall slowdown in economic activity, rising inflation rates, and interest rate hikes have created a trifecta of factors adversely impacting the stock market. The performance of [growth stocks](#), particularly in the Canadian tech sector, has been abysmal due to these factors.

Some of the top growth stocks like **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) and **Real Matters** ([TSX:REAL](#)) have been trading at multi-year lows in recent weeks. Many growth-seeking investors willing to stomach a greater degree of capital risk might be looking at them as attractive investment opportunities.

Today, I will discuss the two battered and bruised Canadian tech stocks to help you determine whether they warrant a place in your investment portfolio.

### Real Matters

Technological innovations have been playing a part in making improvements across all sectors of the economy, and companies like Real Matters have introduced that disruption to the real estate sector. Real Matters is a \$394.53 million market capitalization tech company that offers network management and technology solutions to insurance companies and mortgage lenders across North America.

Recent months have seen its performance on the stock market decline significantly. At writing, Real Matters stock trades for \$5.02 per share, representing an almost 85% decline from its all-time high valuation in August 2020. The interest rate hikes enacted by the Bank of Canada to control inflation rates will likely negatively impact housing demand, spelling some foreboding news for Real Matters.

### Shopify

Shopify stock became one of the biggest success stories for the Canadian tech sector since it went public, quickly becoming the largest stock by market cap on the TSX in just a few years. The onset of COVID-19 led to unexpected tailwinds for the e-commerce industry, and Shopify's position in the

growing sector led to a sharp rise in its performance and valuation.

However, profitability and unreasonably high valuations were always a concern. The time of reckoning appears to have come for the darling tech stock. Shopify stock trades for \$466.30 per share at writing, representing an almost 80% decline from its November 2021 all-time high. The post-pandemic slowdown caused by reopening economies has resulted in a deceleration in its revenues for the past few quarters.

The company still has several growth opportunities to explore. Unfortunately, its plans require spending significant capital, and that impacts its profitability. Shopify stock still trades for over eight times forward sales, making it an expensive asset to consider.

## Foolish takeaway

Investing in the stock market is inherently risky, and growth stocks entail more capital risk than others. Provided that you make investments in the right companies, taking a risk with growth stocks can pay off with substantial shareholder returns. However, it is also possible for you to see your investment returns devastated if the economic factors affecting their performance do not change for the better.

Real Matters stock and Shopify stock appear to be attractive investments after considerable discounts from their all-time highs. These two companies could be worth keeping on your radar right now, but investing in them at current levels today might not be worth it for risk-averse investors.

### CATEGORY

1. Investing
2. Tech Stocks

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2. TSX:REAL (Real Matters Inc.)
3. TSX:SHOP (Shopify Inc.)

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