



3 High-Growth Stocks to Buy Now to Gain From the Recovery

Description

Growth stocks have taken a significant amount of beating in 2022. Valuation concerns, normalization in growth, and higher inflation and interest rates dragged them down. Further, fear of an economic slowdown led investors to shun growth stocks.

While the current macro and geopolitical challenges could continue to limit the upside, I believe now is the time to start accumulating high-growth stocks to benefit from the recovery in price in the medium term.

Against this background, let's look at three high-growth stocks that could rebound sharply, as macro headwinds ease and growth reaccelerates.

These two tech stocks are must-haves in your portfolio

The sharp correction in the prices of the tech stocks makes them attractive investments. However, only a few offer attractive risk/reward scenario. I find **Shopify's** ([TSX:SHOP](#))([NYSE:SHOP](#)) risk/reward scenario highly attractive at the current levels. The massive correction in Shopify stock indicates that the negatives are already priced in, which limits the downside risk. Moreover, Shopify's growth is likely to accelerate as comparisons ease.

Shopify is aggressively investing in its e-commerce infrastructure, sales, and marketing, which augurs well for long-term growth. Moreover, it has introduced new commercial initiatives to increase its penetration into the existing markets and expand the overall TAM (total addressable market).

Moreover, its focus on expanding its products into new geographies, the rollout of new features, and partnerships with social media companies will drive its merchant base. Also, the rapid adoption of its payments offerings, strengthening of its fulfillment network, and opportunistic acquisitions bode well for growth.

While Shopify is well positioned to recover fast and deliver strong returns in the medium term, investors could also consider buying the shares of the digital healthcare company **WELL Health** ([TSX:WELL](#)).

It has consistently grown its revenues and adjusted EBITDA at a breakneck pace. Higher omnichannel patient visits and benefits from acquisitions continue to support its growth and will likely fuel a recovery in its stock.

WELL Health's management expects the momentum in its business to sustain in 2022. Moreover, the company will likely deliver a positive adjusted net income in 2022.

Overall, WELL Health's strong financial and operating performance, solid organic sales, opportunistic acquisitions, strength in the U.S. business, and an extensive network of outpatient medical clinics bode well for future growth.

A top financial services company

While investing in the above tech stocks could fetch strong returns, investors could also consider **goeasy** ([TSX:GSY](#)). This financial services company has grown rapidly and delivered above-average returns in the past decade. Given the recent selling, goeasy's stock has corrected quite a lot, presenting a solid buying opportunity.

It provides leasing and lending services to subprime borrowers. Notably, the subprime lending market is vast, and goeasy's dominant positioning helps it capitalize on the demand.

Its growing loan portfolio, growth in loan ticket size, strong credit and payments performance, and increased penetration of secured loans bode well for growth. Moreover, products and channel expansion and acquisitions support its growth.

goeasy has consistently enhanced its shareholders' value through paying and growing its dividend. Its dividend has a CAGR of 34.5% in the last eight years. Moreover, the company could continue to hike its dividend further on the back of its solid earnings base.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:SHOP (Shopify Inc.)
2. TSX:GSY (goeasy Ltd.)
3. TSX:SHOP (Shopify Inc.)
4. TSX:WELL (WELL Health Technologies Corp.)

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