



3 Cheap Canadian Growth Stocks to Buy on the Dip

Description

Opportunities are aplenty after the Canadian stock market recently [sold off](#). Some of the worst-hit areas were in growth and technology stocks. While the stock market has recovered in the past week, many quality growth stocks are still down by 20% or much more.

Many quality Canadian growth stocks are cheap today

I don't know when this bear market will stop. Given the many fears and worries in the world, there could still be downside in the short term. However, for investors willing to be patient and invest for the long haul, now is a great time to start adding Canadian [growth stocks](#).

The market pessimism won't last forever. When it relents, stocks could have significant upside, especially looking back in five or 10 years from now. If you are looking for some relatively cheap Canadian growth stocks, here are three that look like good opportunities to buy on the dip.

A top technology stock

TELUS International ([TSX:TIXT](#))([NYSE:TIXT](#)) stock is down 24% this year. It became a public company just over a year ago. Its stock is down 16% since then. This Canadian growth stock only trades with an enterprise value-to-EBITDA (EV/EBITDA) ratio of 12.

Despite the cheap valuation, TIXT has performed well. Last year, it grew revenues and adjusted EBITDA by about 38%. While growth is expected to slow in 2022, it still expects revenue and adjusted EBITDA to grow by a mid- to high teens rate.

The company provides digital customer services to some of the world's largest tech companies. These are crucial services and generally have long contracts. As a result, TIXT earns a stable stream of free cash flows.

This Canadian stock has a good balance sheet. Given the decline in tech stocks, acquisitions could be

an additional boost to its longer-term growth profile.

A top consumer discretionary stock

Another Canadian stock that has been unfairly beat up in 2022 is **BRP** ([TSX:DOO](#))([NASDAQ:DOOO](#)). If you are an outdoor enthusiast, you have likely heard of its top brands such as Ski-Doo, Sea-Doo, and Can-Am. This growth stock has pulled back due to fears over a potential recession. Its stock is down 11% this year.

This Canadian stock only trades with an EV/EBITDA ratio of six. This is very cheap for a stock that is growing revenues and earnings by a +20% rate. BRP is more diversified than ever. Despite supply chain challenges, it continues to innovate and [sell attractive new products](#) (like electric motor bikes).

The market is factoring a worst-case scenario. In the meantime, BRP is buying back a huge amount of stock. Eventually, this will pay off in outsized earnings growth for patient, long-term investors.

A top Canadian real estate stock

Another Canadian stock with a long history of compounding earnings growth is **Colliers International Group** ([TSX:CIGI](#))([NASDAQ:CIGI](#)). You might have seen its “for sale” or “for lease” signs on commercial properties around your city.

It is one of the largest commercial real estate brokerages in the world. However, it has also vastly diversified its business to include platforms in design/engineering, project management, property management, commercial financing, and asset management. The company is growing both organically and by acquisition.

Year to date, this Canadian growth stock is down 18%. It only trades with an EV/EBITDA of 10.7 and a price-to-earnings ratio of 16. Colliers has compounded annual returns by over 18% for years. For a stock to just buy and hold for the long term, you can't find much better than Colliers today.

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4. TSX:DOO (BRP Inc.)
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