2 TSX Growth Stocks You'll Regret Not Buying on the Dip

Description

With the recent selling in the market, investors have the opportunity to buy several high-growth stocks cheap. Notably, buying high-quality stocks cheap and holding on to them for long could help you generate substantial wealth.

Against this backdrop, let's look at two TSX stocks trading cheap that could outperform the broader markets by a wide margin.

goeasy

Investing in the financial services company **goeasy** (TSX:GSY) could be highly rewarding for long-term investors. goeasy offers lending and leasing services to subprime consumers and consistently delivers robust earnings growth.

Thanks to its strong financial and operating performance, goeasy stock has handily outperformed the rest of the market over the past decade. It's worth mentioning that goeasy stock has corrected quite a lot (about 45%) from the 52-week high. This drop is due to the general selling in the stock market and has nothing to do with the goeasy's performance as it continues to grow its revenue and earnings at a solid double-digit rate.

goeasy is confident of achieving double-digit revenue growth annually through 2024. Furthermore, it expects its operating margin to expand by about 100 basis points annually over the next three years.

Its upbeat outlook stems from continued growth in the loan volumes and growing ticket size. Meanwhile, strong credit and payments performance will likely support its margins.

goeasy's focus on expanding its lending products, omnichannel offerings, growing mix of secured loans, and improving efficiency will support its financials. Moreover, the company is on track to enhance its shareholders' value by increasing its dividends at a solid double-digit rate.

By investing in goeasy stock at current levels, investors can expect strong capital appreciation in the long term. Moreover, one can earn a dividend yield of over 3%.

Shopify

Investing in tech stocks could be highly profitable in the long term, as most of them have lost substantial value. Within the tech space, investors shouldn't miss the opportunity of buying the dip in **Shopify** (TSX:SHOP)(NYSE:SHOP).

Shopify stock has fallen about 78% from its peak, representing a solid buying opportunity. Notably, the decline in Shopify stock is due to the slowdown in its growth. Moreover, negative investors' sentiments on high-growth stocks remained a drag.

Undeniably, Shopify's growth has slowed. However, this shouldn't surprise, as its growth was expected to normalize after recording aggressive growth amid the pandemic. While uncertain macro headwinds and concerns over consumer spending could limit the upside in Shopify stock in the short term, it remains well positioned to deliver impressive growth in the long term, benefitting from the increased penetration of e-commerce and structural shift towards omnichannel selling models.

Shopify has ramped its investments in the e-commerce business and is strengthening its fulfillment, which augurs well for long-term growth. Furthermore, its initiatives to drive sales and marketing and expansion of existing products into new geographies could drive its merchant base.

Shopify's valuation is at a multi-year low. Meanwhile, the massive correction in its stock price suggests that negatives are priced into the stock.

CATEGORY

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