3 High-Growth, Small-Cap Stocks to Buy Right Now

Description

Small-cap companies have their market capitalizations under $2 billion. Given their higher growth potential, these small-cap companies can deliver superior returns in the long run. However, these companies are highly volatile due to their higher susceptibility to market volatilities. So, investors with higher risk-tolerance abilities can invest in these stocks to earn superior returns. Meanwhile, here are my three top small-cap stocks that you can buy right now to make higher returns.

goeasy

goeasy (TSX:GSY) has been under pressure due to multiple rate hikes and weakness in growth stocks over the last few months. It has lost over 46% of its stock value compared to its 52-week highs. Its NTM price-to-earnings multiple has also declined to an attractive 9.3. Meanwhile, the company's outlook looks healthy, as the economic expansion is driving loan originations, expanding its addressable markets.

Meanwhile, goeasy has undertaken several initiatives, such as expanding its product offerings, strengthening its channels, expanding its market presence, and adding new business verticals to drive growth. The company hopes to expand its loan portfolio by 67% over the next three years to $3.6 billion by 2024. The expansion of its loan portfolio could boost its top and bottom lines while delivering a return on equity of over 22% annually. So, goeasy would be an excellent addition to your portfolio at these levels.

Savaria

Second on my list is **Savaria** (TSX:SIS), which offers accessibility solutions across 40 countries. Amid the recent pullback, it has lost around 36% of its stock value while its NTM price-to-earnings multiple has declined to 19.5.

With the recent acquisition of Ultron, Savaria could vertically integrate the manufacturing of electronic equipment used in its products. Amid the rising demand, the company plans to build a sub-assembly facility in Querétaro, Mexico, which could expand its production capacity close to its major markets, thus reducing its shipping expenses. Its innovative product offerings and widespread manufacturing networks, and direct sales offices could boost its financials in the coming quarters.

Savaria also pays a monthly dividend of $0.047/share, with its forward yield at 3.89%. So, given its attractive valuation, high-growth potential, and healthy dividend yield, I am bullish on Savaria.

Docebo

Docebo (TSX:DCBO)(NASDAQ:DCBO) offers a highly configurable corporate e-learning platform with over 2,900 customers worldwide. Over the last six years, it has increased its customer base by 220% while increasing its average contract value four times. It also earns over 90% of its revenue from recurring sources, which has grown at a CAGR of 66% since 2016.

Meanwhile, the uptrend in Docebo's financials could continue amid rising demand for its products and services due to the increased adoption of the remote working and learning model. Meanwhile, the LMS market could grow at a healthier CAGR of 21% through 2025. Given its multi-product learning suite, the company is well positioned to strengthen its position in the growing e-learning space.

Meanwhile, amid the recent pullback in growth stocks, Docebo has lost around 65% of its stock value compared to its 52-week highs. Its NTM price-to-sales multiple has declined to 6.9. So, given its growth prospects and discounted stock price, Docebo can deliver superior returns over the next three years.

CATEGORY

1. Investing

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1. NASDAQ:DCBO (Docebo Inc.)
2. TSX:DCBO (Docebo Inc.)
3. TSX:GSY (goeasy Ltd.)
4. TSX:SIS (Savaria Corporation)

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