2 Beaten-Down Growth Stocks That Could Double Your Money

Description

It's hard to believe how far many growth stocks have dropped this year already. Despite the **S&P/TSX Composite Index** only being down about 5% in 2022, many top growth stocks are trading at losses of 50% and greater.

The businesses themselves of many of those beaten-down growth stocks have not fundamentally changed. Rather, we've witnessed a recent change in the willingness of investors to pay steep premiums to own high-growth companies.

A price-to-sales (P/S) ratio above 40 may have seemed par for the course a year ago. But today, with all the question marks surrounding the short-term future of the economy, investors are being much more conservative.

Investing in growth stocks in 2022

As a growth investor myself, I'm not all that concerned with the recent volatility in the market. Rather than continuously worry about P/S ratios, my focus remains on buying and holding top-quality businesses with market-beating growth potential.

In the short term, there may be more pain for growth investors. But as a growth investor with a long-term time horizon, there are plenty of deals to be had on the TSX right now.

I've reviewed two discounted growth stocks that I've had on my watch list for months now. Both picks have taken a hit this year but are not far removed from delivering market-crushing gains.

Any sort of shift towards a return to growth stocks could send these two companies soaring.

If you're looking to add some growth to your portfolio, now would be a wise time to do so.

Nuvei

It's been a whirlwind ride for **Nuvei** (TSX:NVEI)(NASDAQ:NVEI) after going public in late 2020. After only a year and a half on the public market, the tech company has already experienced all kinds of highs and lows.

Shares are currently trading close to 70% below 52-week highs. Still, the growth stock has returned a positive gain, even outperforming the Canadian market, since going public in 2020.

In Nuvei's first year on the TSX, the growth stock surged more than 200%. Alongside many other tech stocks, Nuvei saw its stock price rise dramatically during the market's swift recovery from the COVID-19 market crash in early 2020.

With a massive market opportunity in the payment technology space, there's no reason why Nuvei cannot continue to be a market-crushing stock. Already with a global presence established, this growth stock is poised for many more years of market-beating gains.

Air Canada

Contrary to many other North American airlines, **Air Canada** (TSX:AC) has been a consistent market beater for much of the past decade. The growth stock has returned close to 2,000% over the past 10 years, easily crushing the returns of the Canadian stock market.

Shares of Air Canada have been trading mostly flat since the bottom of the COVID-19 market crash. There have been a few spikes here and there, but we have yet to see any significant breakouts over the past two years. But with a return to air travel already in full swing, a breakout may be around the corner.

Air Canada is still trading more than 50% below all-time highs, set right before the pandemic. I'm betting that we'll be seeing Canada's largest airline hit a new all-time high sooner rather than later.

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