3 High-Growth Stocks at Bargain Prices

Description

Many growth stocks could stay in the red throughout 2022 if the inflationary period persists. However, some stocks might recover faster than others. Among them are **Dye & Durham** (TSX:DND), **goeasy** (TSX:GSY), and **WELL Health Technologies** (TSX:WELL). All three names trade at bargain prices, although their rebounds could be explosive.

Overdue digital transformation

Dye & Durham investors are losing by 51.11% year to date. However, the tech stock has advanced 50.6% in the last 30 days. As of June 10, 2021, the share price is $21.91 from $14.55 on May 10, 2022. Based on market analysts' forecasts, the average upside potential in 12 months is 116.8% ($47.50).

This $1.51 billion company provides cloud-based software and technology solutions that legal and business professionals need to improve their efficiencies and increase productivity. Dye & Durham boasts a blue-chip customer base in Canada, Australia, Ireland, and the United Kingdom.

The business is doing good, as evidenced by the strong financial performance in Q3 fiscal 2022. In the three months ended March 31, 2022, net loss was $7 million, although revenue and adjusted EBITDA increased by an identical 78% versus Q3 fiscal 2021.

Matt Proud, Dye & Durham's CEO said, "We had a very strong quarter, despite challenging real estate market conditions. We're investing significantly in our technology platform to continue to provide enhanced value to our customers." One thing going for the technology company is the digital transformation in the legal industry.

About 80% of legal professionals in Canada say their industry is overdue for a digital transformation. The results of the national survey by Angus Reid Forum showed that 87% of respondents have adopted new digital tools to operate in the COVID-19 remote work environment.

Also, about 83% agree that implementing cloud-based software solutions increases productivity and operational efficiency across their firms.

Strong loan growth

Alternative lender goeasy experienced improved demand in Q1 2022. Growth in the loan portfolio, loan originations, and booked loans was 69%, 75%, and 307%, respectively, versus Q1 2021. However, the net income of 26.1 million was 76.7% lower compared to the same period in 2021.

Still, its president and CEO, Jason Mullins, said, “The first quarter continued to highlight the growth potential of our business model.” He cited the lift in origination volume that led to a material increase in loan growth amid a typically seasonally slower period.

This financial stock trades at $104.55 per share (-41.29% year to date) and pays a decent 3.08% dividend. Market analysts recommend a buy rating and forecast a price appreciation of 95.3% to $204.22 in one year.

Looming breakout

WELL Health’s total return in 3.01 years is 301.11% (58.62% CAGR). However, the healthcare stock is down 26.48% year to date. The price decline is surprising considering the 395% increase in revenue in Q1 2022 versus Q1 2021. Fortunately, a breakout looms because the record revenue performances in April and May sets the stage for a strong Q2 2022.

Its chairman and CEO Hamed Shahbazi said, “Patient visits continue to be a strong leading indicator for WELL’s business.” Market analysts see the current share price of $3.61 rising to 146% to $8.88 in 12 months.

Multi-baggers

Dye & Durham, goeasy, and WELL Health are potential multi-baggers. The underperforming high-growth stocks could turn the corner very soon.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. TSX:DND (Dye & Durham Limited)
2. TSX:GSY (goeasy Ltd.)
3. TSX:WELL (WELL Health Technologies Corp.)

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