Planning to Buy the Dip? 2 High-Growth Stocks to Consider Now

Description

Undeniably, 2022 has become one of the most challenging years for equity investors. Shares of several top TSX-listed companies have plunged due to the high inflation, rising interest rates, and supply shortages. Further, the fear of an economic slowdown could continue to limit the upside in stocks in the short term.

However, given the steep correction in the prices of several top companies, now is an opportunity for investors with a long-term outlook to start investing. The reason is that shares of several top-quality companies have lost more than 50% (some even 80%) of their value while their fundamentals remain intact. This implies that shares of these companies could recover fast as the economy normalizes. Let's look at three such companies' shares that you'll regret not buying on the dip.

This tech stock is must-have at current levels

Given the substantial value erosion in tech stocks, investing in them at current levels could be a smart move for the long term. Among the tech space, **Shopify** (TSX:SHOP)(NYSE:SHOP) appeals the most. Shares of this internet commerce enabler are down about 82% from the 52-week high and are trading below pre-pandemic levels. The softness in e-commerce growth amid economic reopening and tough comparisons weighed on Shopify stock.

I view this decline as one of the best opportunities to go long on this high-growth company. Shopify continues to gain market share and is poised to gain as e-commerce growth accelerates. Further, the benefits from its investments in sales and marketing, own fulfillment, and other growth initiatives augur well for long-term growth.

Its recent acquisition of Deliverr, partnerships with top social media companies, expansion of existing products in new geographies, growing adoption of its payment offerings, new product launches, and large addressable market augur well for growth.

Shopify's growth initiatives have started to gain traction. Meanwhile, its comparisons will ease in the second half of 2022. This indicates that Shopify's growth will accelerate in the coming quarters, which will support the recovery in its share price.

Bank on this financial services company

Due to the recent selling, **goeasy** (TSX:GSY) stock has dropped below $100. To be precise, it has lost about 56% of its value from the 52-week high. This decline in goeasy stocks seems unwarranted, especially as the company has consistently delivered strong financials, even in a weak economic environment.

Furthermore, the momentum in goeasy's business sustains, and it projects double-digit revenue growth and margin expansion in the coming years.

Its multiple lending products, large addressable market, focus on product and channel expansion, and growing mix of secured loans augur well for future growth. Moreover, goeasy's ability to drive loans, an increase in ticket size, solid credit performance, and strong repayment volumes will likely support its margins.

goeasy is confident of achieving strong revenue growth in the medium term. Further, leverage from higher sales will cushion its margins. It sees an at least 100-basis-point expansion in its operating margins annually, which is positive.

Also, goeasy is known for enhancing its shareholders' returns through higher dividend payments. Further, its strong earnings base indicates that it could continue to return solid cash to its shareholders through dividend hikes.

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