



3 Top Growth Stocks Available at a Substantial Discount

Description

The concerns over rising inflation, monetary tightening policies by the Federal Reserve, and the ongoing Russia-Ukraine war have led to a substantial selloff in the global equity markets, with the S&P/TSX Composite Index falling over 13% from its 52-week high. Meanwhile, the selloff was severe in growth stocks. However, I believe the correction has provided an excellent entry point for long-term investors in the following three stocks.

Lightspeed Commerce

Lightspeed Commerce ([TSX:LSPD](#))([NYSE:LSPD](#)) provides point-of-sale and e-commerce solutions to small- and medium-scale businesses. Amid the fears of growth deacceleration, short report, and concerns over its valuation, the company's stock price has corrected by over 80% from its 52-week highs. The correction has dragged its NTM price-to-sales multiple down to an attractive 4.3.

Meanwhile, Lightspeed Commerce is expanding its product offerings, venturing into new markets, and making strategic acquisitions to drive growth. Recently, the company launched a new B2B platform that connects various brands with retailers, thus providing merchants with a seamless order and sell experience. Further, the rising digitization has created a multi-year growth potential for the company.

So, despite the near-term volatility, I believe long-term investors should start buying the stock, given its discounted stock price.

goeasy

goeasy ([TSX:GSY](#)) is another stock that has corrected over 50% compared to its 52-week highs. The interest rate hikes and expectation of economic slowdown amid high inflation have dragged down the company's stock price. Amid the steep pullback, the company's NTM price-to-sales multiple has declined to 1.5.

Meanwhile, goeasy has been growing its top and bottom line at a healthy rate over the last two

decades. Despite the substantial growth, the company has acquired just 3% of its addressable market. Given the highly fragmented subprime lending market, the company is well equipped to expand its share given its omnichannel presence, the addition of new business units, and diverse product base.

Given its growth potential, goeasy's management expects its loan portfolio to grow by 67% to \$3.6 billion by 2024. Also, the company has been growing its dividend at an impressive CAGR of 34.5% since 2014. So, I believe goeasy would be an excellent buy at these levels.

Cargojet

Amid the e-commerce growth, the demand for air cargo services is rising. So, I have selected **Cargojet** ([TSX:CJT](#)), which provides time-sensitive air-cargo service across prominent Canadian cities, as my final pick. Given its leading market share and a substantial fleet of aircraft, the company is well positioned to benefit from the expanding addressable market.

The company plans to add new aircraft and routes amid the rising demand. Over the next two years, the company has planned to add 16 aircraft to strengthen its fleet. Its long-term contracts, minimum revenue guarantee, and the ability to pass on costs to its customers would deliver stability to its financials. The company is also working on lowering its debt, improving operating efficiency, and improving its average daily volumes, which is encouraging.

Despite its healthy growth potential, Cargojet has lost over 30% of its stock value compared to its 52-week highs. Its [NTM price-to-earnings](#) multiple has declined to an attractive 19.9. So, I am bullish on Cargojet.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:LSPD (Lightspeed Commerce)
2. TSX:CJT (Cargojet Inc.)
3. TSX:GSY (goeasy Ltd.)
4. TSX:LSPD (Lightspeed Commerce)

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