



2 Canadian Growth Stocks to Buy Down 44% or More in 2022

Description

Stocks across the board have fallen this year. But, without a doubt, some of the biggest discounts and best stocks to buy after the selloff in 2022 are Canadian growth stocks.

Canadian growth stocks have seen their shares fall significantly in value, especially in sectors like [tech](#).

As inflation has picked up and interest rates have been rising rapidly, the future earnings potential of many stocks has fallen, leading to lower valuations.

In addition, though, as risk and uncertainty pick up, the multiples that investors are willing to pay for stocks, especially growth stocks, have fallen substantially, which is also leading to lower valuations.

The **TSX**, because it's heavily weighted to energy, is down just 11% so far in 2022. The **S&P 500**, arguably a better gauge of the overall market environment in North America, is down just under 20% for the year. Yet these two growth stocks have each sold off by 44% or more in just the first six months of the year.

Therefore, while the market is in this volatile and uncertain environment, and while many of the best long-term Canadian growth stocks trade ultra-cheap in 2022, here are some of the best to buy now.

A top financial stock that's rapidly growing its earnings

One of the best growth stocks in recent years and a top stock to buy in 2022 is **goeasy** ([TSX:GSY](#)), the specialty finance company.

goeasy has been expanding its operations rapidly in recent years, increasing sales at an attractive pace, and because its margins are so impressive, its earnings have been growing significantly faster.

However, as risk and uncertainty have picked up in markets this year, goeasy's stock has fallen substantially. Just in 2022, goeasy has seen its stock fall by over 44%, making it one of the best growth stocks to buy undervalued. In total, the stock is more than 50% off its high.

Therefore, not only does goeasy offer significant upside, as it rallies back to fair value, but as the company continues to grow and expand its business over the coming years, that fair value should only continue to increase.

And if that's not enough to convince you of goeasy's quality, the company's also a Dividend Aristocrat that offers a current yield of more than 3.5% and has nearly tripled its dividend in the last three years.

So, if you're looking to take advantage of this significant selloff in 2022 and buy some of the best Canadian growth stocks, goeasy is one you'll certainly want to consider.

One of the best growth stocks to buy while it's on sale in 2022

In addition to goeasy, another company that still has years of growth potential is **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)).

Shopify is one of the best Canadian growth stocks to buy in 2022, as it has fallen out of favour significantly. The stock is down by over 70% this year, despite the fact that it's still a massive business with a dominant position in an industry like e-commerce, which has decades of growth potential ahead of it.

Part of its selloff is due to the [market environment](#), part of it is due to Shopify's massive size, making it harder to grow, and some of it is due to Shopify's decision to continue investing in growing the business rather than prioritizing profitability.

However, the market environment won't last forever, and as with any stock that grows significantly, the massive returns begin to diminish. As for Shopify's decision to prioritize long-term growth over profitability, that understandably makes the stock cheaper in the short term, as there is more risk in owning it today.

However, with the stock being cheaper, and the decision to focus on profitability better for long-term investors, Shopify has to be one of the best Canadian growth stocks to buy in 2022.

Even after bottoming in the last few weeks, Shopify still trades at a forward price-to-sales ratio of just 7.4 times, the cheapest it's been since late 2016. So, while this incredible growth stock is undervalued, it's one you'll definitely want to look into.

CATEGORY

1. Investing

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1. NYSE:SHOP (Shopify Inc.)
2. TSX:GSY (goeasy Ltd.)

3. TSX:SHOP (Shopify Inc.)

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Date

2025/08/24

Date Created

2022/06/24

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danieldacosta

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