



Got \$1,000? Buy These 3 Under-\$20 Growth Stocks to Earn Higher Returns

Description

Growth stocks have witnessed a substantial selloff over the last few months. The Federal Reserve of the United States has hiked interest rates multiple times this year and expects to raise them further amid concerns over high inflation. The increase in interest rates has raised borrowing costs, thus contracting the margins of growth stocks, which require substantial capital to fund their growth initiatives. So, these concerns have led to a sharp correction in growth stocks.

However, the steep pullback has offered an excellent entry point for long-term investors. If you are ready to invest, here are three top growth stocks you can buy for under \$20.

BlackBerry

Yesterday, **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) reported better-than-expected first-quarter earnings. Its revenue came in at US\$168 million, beating analysts' expectations by US\$8 million. The strong performance from its IoT segment drove its top line. Year over year, its revenue from the IoT segment increased by 18.6%, while its revenue from the cybersecurity segment grew by 5.6%. Meanwhile, its adjusted net losses came in at \$0.05/share, which is in line with expectations.

The rising demand for advanced driver-assistance systems and digital cockpits has increased the demand for BlackBerry's products and services. The company's QNX platform now runs in more than 215 million vehicles compared to 195 million in the previous year. The company's IVY platform could be a substantial growth driver in the coming quarters, as it has received proof-of-concept trials from several OEMs. Notably, the rising demand for cybersecurity solutions could also benefit the company.

Despite its healthy growth potential, BlackBerry is trading at over 50% lower than its 52-week high, thus providing an excellent buying opportunity for long-term investors.

WELL Health Technologies

Given the convenience and cost effectiveness, more people are opting for telehealthcare services. So,

I have picked **WELL Health Technologies** ([TSX:WELL](#)), a digital healthcare company, as my second pick. It facilitates healthcare practitioners to provide omnichannel services to patients. In May, the company's revenue from omnichannel patient visits grew by 40% compared to the previous year.

The company is expanding its presence in the United States by acquiring Circle Medical and Wisp. These companies have crossed \$110 million in the annualized revenue in May, with a positive adjusted EBITDA. The company has signed an agreement to acquire INLIV, which could expand its omnichannel network into Alberta. Also, its initiatives to optimize operating expenses and enhance synergies could boost its cash flows in the coming quarters.

Meanwhile, amid the selloff in tech stocks, WELL Health is trading at over a 60% discount from its 52-week high. Given its healthy growth potential, I believe investors should utilize the correction to accumulate the stock.

Savaria

Savaria ([TSX:SIS](#)) provides accessibility solutions across 40 countries. Amid the aging population and growing income levels, the demand for accessibility solutions is rising, benefiting the company. Meanwhile, in January, the company acquired Ultron, a technology manufacturer with advanced integrated circuits design and software development expertise. With this acquisition, the company can produce electronic equipment used in its products.

Savaria is also working on building a sub-assembly facility in Querétaro, Mexico, which could strengthen its production capabilities close to major markets. Its innovative product offerings and widespread manufacturing networks could boost its financials in the coming quarters.

Meanwhile, Savaria trades around 40% lower than its 52-week high amid the weakness in the broader equity markets. The steep correction has dragged its NTM [price-to-earnings](#) multiple to 17.8, making it an attractive buy.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NYSE:BB (BlackBerry)
2. TSX:BB (BlackBerry)
3. TSX:SIS (Savaria Corporation)
4. TSX:WELL (WELL Health Technologies Corp.)

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