



2 Undervalued Stocks to Buy With Years of Growth Potential

Description

After years of stocks trading at sky-high valuations, the market correction has created an incredible opportunity to buy stocks at bargain prices. And when you look across the market, many of the cheapest stocks you can buy are high-quality growth stocks.

The current environment has lowered valuation multiples across multiple sectors. However, it can also impact the future earnings potential of these companies, at least in the short term.

If you're looking to maximize the opportunity, here are two top growth stocks that you can buy well undervalued today.

A top Canadian tech stock that's trading ultra-cheap

Throughout the selloff in 2022, some of the hardest-hit stocks and a sector where you can find some of the best value is in [tech](#). There are tonnes of high-quality tech stocks that have fallen significantly in value simply, because the market conditions have changed.

If you're a long-term investor that can stomach the short-term volatility, one of the best growth stocks to buy now is **Magnet Forensics** ([TSX:MAGT](#)).

Magnet is a software and analytics company that provides law enforcement and other government agencies with tools to investigate digital crimes. This is an industry with insane growth potential, especially as more of our everyday lives continue to become more digital.

Despite the company's long-term potential, though, and the progress it's made recently, year to date, Magnet has already lost 50% of its value due to the worsening market conditions.

Over the long haul, though, the stock continues to offer incredible growth potential. So, with Magnet now trading well undervalued, it's certainly one of the best growth stocks to buy today.

In fact, right now, it has a forward [price-to-sales ratio](#) of just 5.25 times. That's by far the cheapest it's

been valued at since going public just over a year ago. It's also less than half the 12.6 times sales that Magnet's valuation has averaged over the last year.

So, if you're looking to find high-potential growth stocks that you can buy for dirt cheap, Magnet Forensics is a top company to consider.

One of the best Canadian growth stocks to buy while it's undervalued

In addition to Magnet, another one of the best Canadian growth stocks that has fallen significantly in value recently almost entirely due to the market environment is **Cargojet** ([TSX:CJT](#)).

Cargojet is an impressive business with massive growth potential. As e-commerce continues to get more popular, the demand for shipping, specifically time-sensitive shipping, will only continue to pick up. And right now, Cargojet dominates the Canadian domestic market with an impressive market share.

This gives it a significant runway for growth over the next few decades as more consumers shop online, and more merchants look to capitalize on all the growth potential.

Therefore, Cargojet is one of the best growth stocks you can buy. Plus, when you consider just how cheap Cargojet has become, an investment in the air cargo business becomes that much more compelling.

Currently, the stock is trading more than 35% off its high — a significant discount. That's not all, though. At this price, Cargojet's forward enterprise value-to-EBITDA ratio stands at just 7.8 times. That's the cheapest it's been since 2014 and well below its five-year average of 11.8 times.

Therefore, while this high-quality growth stock trades at such an attractive valuation, it's certainly one of the best stocks to buy now.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:CJT (Cargojet Inc.)
2. TSX:MAGT (Magnet Forensics)

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