



These 3 Cheap Stocks Would Be an Excellent Addition to Your Portfolio

Description

Amid the concerns over rising prices, higher interest rates, and expensive valuation, the equity markets have corrected substantially from their peaks. The **S&P/TSX Composite Index** is trading at around 14% lower than its all-time highs. Meanwhile, the correction has provided excellent buying opportunities in the following three stocks, which possess healthy growth potential.

Nuvei

Amid the growing popularity of next-generation digital payment solutions, I have selected **Nuvei** ([TSX:NVEI](#))([NASDAQ:NVEI](#)) as my first pick. The company operates in over 200 markets, supporting around 150 currencies and 550 alternative payment methods. Supported by a growing customer base and increased revenue from existing customers, it had reported a solid first-quarter performance last month.

Meanwhile, I expect the uptrend to continue. The expanding addressable market, growing customer base, and increase in revenue per customer could boost its financials in the coming quarters. The company is strengthening its presence in the sports betting and iGaming space by expanding its operations. Given its growth potential, Nuvei's management expects its volumes and revenue to grow around 30% annually in the medium term. Meanwhile, its adjusted EBITDA margin could improve to 50% in the long run.

However, amid the recent weakness, Nuvei has lost over 73% of its stock value compared to its 52-week high. Its NTM price-to-earnings multiple has also declined to an attractive 16.8. Given its growth potential and cheaper valuation, I believe long-term investors should start accumulating the stock.

Lightspeed Commerce

Second on my list is **Lightspeed Commerce** ([TSX:LSPD](#))([NYSE:LSPD](#)), which provides omnichannel commerce platforms to small- and medium-scale businesses. Amid the secular shift toward online shopping, more companies are taking their businesses online, thus driving the demand for Lightspeed

Commerce's products and services.

Earlier this month, the company launched a B2B platform for fashion, outdoor, and sports retailers in North America. The platform provides merchants with a seamless order and sales experience by connecting retailers with well-known brands. Additionally, the company's expanded product offerings, geographical expansion, and strategic acquisitions could continue to drive its financials in the coming quarters.

However, despite its healthy growth prospects, Lightspeed Commerce is trading at over an 80% discount from its 52-week high, thus providing an excellent buying opportunity.

goeasy

goeasy ([TSX:GSY](#)), which has lost over 50% of its stock value compared to its 52-week high, is my first pick. Multiple interest rate hikes and expectations of growth slowing down have led to a substantial selloff in the company's stock price. The correction has dragged the company's NTM price-to-earnings multiple down to an attractive 7.9.

Meanwhile, goeasy is strengthening its omnichannel lending services, adding new business verticals, and improving market penetration to drive growth in the highly fragmented sub-prime lending market. The company's management expects to grow its loan portfolio by 67% over the next three years to \$3.6 billion.

Earlier this month, the company acquired a minority stake by investing \$40 million in Canada Drives. Through this partnership, goeasy hopes to become a preferred non-bank financing provider for the customers of the online vehicle retailer. So, its growth prospects look healthy.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:NVEI (Nuvei Corporation)
2. NYSE:LSPD (Lightspeed Commerce)
3. TSX:GSY (goeasy Ltd.)
4. TSX:LSPD (Lightspeed Commerce)
5. TSX:NVEI (Nuvei Corporation)

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