3 Top Growth Stocks to Buy on the Dip

Description

The **S&P/TSX Composite Index** was down 71 points in early afternoon trading on July 13. Canadian stocks were thrust into a bear market in the previous month. Equities have encountered major turbulence in the face of surging inflation, rapidly rising interest rates, and the rising risk of a recession. Today, I want to look at three growth stocks that are worth snatching up on the dip in this correction. Let's jump in.

Here's a growth stock you can snatch up for cheap in the middle of July

goeasy (TSX:GSY) is a Mississauga-based company that provides non-prime lending and services to consumers in Canada. Shares of this growth stock have plunged 44% so far in 2022. The stock has more than halved in value since hitting an all-time high of $218.35 per share in September 2021. Investors should remember the rebound goeasy staged after the 2020 market pullback. At one point, it fell below the $30/share mark. It is now valued at just under $100/share even after a sharp correction.

Investors can expect to see its second-quarter 2022 earnings in early August. In Q1 2022, it delivered loan originations growth of 75% to $477 million. Meanwhile, it posted loan growth of 307% to $124 million. goeasy reported same-store revenue growth of 14% and saw its total customers rise above 1.1 million.

This growth stock currently possesses a favourable price-to-earnings (P/E) ratio of 10. It offers a quarterly dividend of $0.91 per share. That represents a 3.7% yield.

Don't sleep on this struggling tech stock in the summer

Kinaxis (TSX:KXS) managed to perform well during the 2020 market pullback before succumbing to broader pressure. Supply chain software management services have seen increased demand as the COVID-19 pandemic has caused severe disruptions. Those wounds have lingered over the past year.

Shares of Kinaxis have declined 18% in 2022. That has pushed this growth stock into negative territory in the year-over-year period.

The company reported first-quarter 2022 results on May 5. Total revenue increased 70% year over year to $98.1 million. Gross profit jumped 87% to $69.6 million. On the business front, Kinaxis has continued to achieve big customer wins. Adjusted EBITDA soared 267% to $33.1 million.

Shares of this growth stock are trading in attractive value territory compared to its top competitors. Moreover, it is geared up for promising earnings growth in a niche market. I'm still looking to snatch up Kinaxis on the dip today.

One more growth stock to snag for the long haul

ATS Automation (TSX:ATA) is the third growth stock that I'd suggest snagging in this bear market. This Cambridge-based company provides automation solutions to a worldwide client base. Its shares have plunged 28% so far in 2022. That has pushed the stock into the red in the year-over-year period.

Investors got to see its fourth-quarter and full-year 2022 results on May 19. It delivered revenue growth of 50% to $603 million. Meanwhile, adjusted basic earnings per share nearly doubled in the year-over-year period to $0.64. This growth stock offers a solid P/E ratio of 27.

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3. TSX:KXS (Kinaxis Inc.)

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