These 3 Growth Stocks Look Attractive Amid the Recent Pullback

Description

Growth stocks, which had delivered solid returns over the last few years, are under pressure this year due to the concerns over rising benchmark interest rate and their expensive valuations. Meanwhile, the steep pullback has provided excellent buying opportunities in the following three stocks, which have the potential to deliver multi-fold returns in the long run.

Nuvei

Amid rising macro headwinds, a slowdown in e-commerce growth, and a short report from Spruce Point, **Nuvei** (TSX:NVEI)(NASDAQ:NVEI) has lost around 75% of its stock value compared to its September highs. However, the company continues to post solid financials, with its revenue and adjusted EBITDA growing by over 40% in the first quarter.

Meanwhile, the growing popularity of digital payments has created a multi-year growth potential for Nuvei. The company is expanding its APM (alternative payment method) portfolio to facilitate its customers to accept different forms of regionally familiar and preferred digital payment methods. It is also venturing into new markets, broadening its offerings, and focusing on increasing its revenue from existing customers to drive growth.

Nuvei is partnering with prominent players in the betting and iGaming space to strengthen its position. So, given its multiple growth drivers and discounted stock price, I expect Nuvei to deliver substantial returns in the long run. Meanwhile, its valuation also looks attractive, with its NTM price-to-earnings multiple standing at 14.1.

WELL Health Technologies

Another cheap tech stock is **WELL Health Technologies** (TSX:WELL), which focuses on facilitating healthcare professionals to provide omnichannel services to their patients. It has lost over 60% of its stock value amid the recent weakness, thus dragging its NTM price-to-earnings down to 14.8.

Meanwhile, the pandemic has fastened the adoption of virtual healthcare services. Given its accessibility and convinces, more people are adopting virtual services, thus driving the demand for WELL Health’s products and services.

The company is also expanding its presence in the United States and Canada by ramping up its M&A activities and opening new clinics. Given its healthy growth prospects, the company’s management projects its revenue to cross $525 million this year, with its adjusted EBITDA closing in on $100 million.

BlackBerry

My final pick is **BlackBerry** (TSX:BB)(NYSE:BB), which has lost over half its stock value compared to its November highs. The correction has dragged its NTM price-to-sales down to 4.8, lower than its historical average. Meanwhile, I believe the steep decline has provided an excellent entry point for long-term investors, given its multiple growth drivers.

The demand for BlackBerry’s products is rising amid the growing demand for advanced driver-assistance systems and digital cockpits. It has also been winning orders from automakers. Its QNX platform now runs in over 215 million vehicles compared to 195 million in the previous year. The company’s innovative IVY platform has received requests from OEMs to develop proof of concept. Meanwhile, the company is partnering with four other companies to build an IVY ecosystem that resonates with the needs of OEMs.

In the cybersecurity segment, BlackBerry is focusing on strengthening its position amid rising competition. Its expanded and innovative product offerings continue to resonate with blue-chip companies. So, given its growth prospects and attractive valuation, I am bullish on BlackBerry.

CATEGORY

1. Investing
2. Tech Stocks

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2. NYSE:BB (BlackBerry)
3. TSX:BB (BlackBerry)
4. TSX:NVEI (Nuvei Corporation)
5. TSX:WELL (WELL Health Technologies Corp.)

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