
2 TSX Stocks at Discounted Prices to Beat the Market

## Description

Most Canadian stocks lost substantial value amid the recent selling in the market on fears of an economic slowdown. This decline presents an attractive opportunity for investors to buy top TSX stocks at a discounted price. While the uncertain macro environment could continue to play spoilsport in the short term, a few can rebound strongly, as the economic and geopolitical environment improves.



So, for investors with a long-term investment outlook and appetite for risk, here are two beaten-down TSX stocks with solid potential for growth.

# Lightspeed

Shares of the commerce-enabling company **Lightspeed** (TSX:LSPD)(NYSE:LSPD) are an attractive investment at current levels. Lightspeed stock has declined over 82% from its 52-week high. While its stock lost substantial value, its business continues to perform, reflected through its solid organic sales.

It's worth mentioning that Lightspeed delivered organic growth of 38% in the first quarter of fiscal 2023, which was within its previous guidance range of 35-40%.

Lightspeed's omnichannel commerce platform positions it well to benefit from higher e-commerce penetration and an increase in in-store shopping and dining out. Notably, its two primary offerings, Lightspeed Retail and Lightspeed Restaurant, continue to witness strong demand.

Moreover, its growing customer locations, improving software adoption, rise in GTV (gross transaction volume) processed through its payments solutions, and accretive acquisitions will likely support its growth. Also, existing customers adopting its multiple modules and its entry into new geographic regions and verticals bode well for growth.

While Lightspeed's business and operating metrics remain solid, its stock is trading cheap on the valuation front. Lightspeed stock trades at the next 12-month EV/sales (enterprise value to sales) ratio of 2.9, which is much below its historical average of 15.

Overall, Lightspeed's solid growth and low valuation support my bullish outlook and position it well to outpace broader markets.

## BlackBerry

With most tech stocks losing significant value, my next pick is also from the tech sector. I am bullish on **BlackBerry** (TSX:BB)(NYSE:BB), and there are solid reasons why it could beat the broader market averages.

BlackBerry is well positioned to capitalize on the higher enterprise spending on cybersecurity amid the ongoing digital shift. Furthermore, the electrification and automation of vehicles provide a multi-year growth platform for the company. Its solid recurring product revenue, growing addressable market, ability to acquire customers, and high customer retention rate are positives.

Thanks to the ongoing momentum in its business and visibility over future demand, BlackBerry expects to grow its revenues at an average annualized rate of 13% through 2027. This guidance includes IoT (Internet of Things) revenues growing at a CAGR (compound annual growth rate) of 20% and cybersecurity sales increasing at a CAGR of 10%. Further, BlackBerry expects to grow its gross margins by about 100 basis points annually during the same period.



Given the selling in tech stocks, BlackBerry has lost 43% of its value and is trading at an EV/sales multiple of 5.5, which is lower than its historical average, presenting a solid buying opportunity.

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