



Double Your Investments With These 3 Growth Stocks

Description

Although the [global equity markets](#) have bounced back strongly this month, growth stocks are still down compared to their 52-week highs. The concerns that the Federal Bank of the United States could raise interest rates steeply have led to a weakness in growth stocks. Meanwhile, the correction has provided excellent buying opportunities in the following three [tech stocks](#), given their discounted stock prices and high-growth prospects.

BlackBerry

BlackBerry ([TSX:BB](#))([NYSE:BB](#)) trades at a 48% discount from its 52-week high, despite posting solid first-quarter earnings for fiscal 2023 in June. The steep correction has dragged its NTM (next 12-month) price-to-sales multiple down to 5.1. Meanwhile, the company has substantial exposure to the high-growth sectors, such as IoT (Internet of Things) and cybersecurity.

The growth in demand for advanced driver-assistance systems and digital cockpits has benefitted the company. Its IVY platform, which standardizes data from various components to allow developers to build compatible products and services across brands, could be a substantial growth driver in the coming years. Given its growth prospects, BlackBerry's management expects its IoT revenue to grow at a 20% rate for the next five years.

Meanwhile, the cybersecurity market is witnessing solid growth, with analysts projecting the sector to grow at a CAGR (compound annual growth rate) of 13.4% over the next eight years. Despite the growing competition in the industry, the company's innovative products continue to resonate with many blue-chip companies. So, considering all these factors, I believe BlackBerry's stock price could double over the next three years.

Lightspeed Commerce

Second on my list is **Lightspeed Commerce** ([TSX:LSPD](#))([NYSE:LSPD](#)), which has lost close to 85% of its stock value compared to its 52-week high. The company has struggled since Spruce Point

Capital Management published a short report in September 2021. The expectation of growth slowing down amid the reopening of the economy and rising interest rates has also dragged its stock price down. Amid the steep pullback, the company's NTM price-to-sales multiple has declined to 3.6, which is lower than the historical average.

Meanwhile, Lightspeed Commerce continues to add new customer locations and increase its ARPU (average revenue per user), thanks to its innovative product offerings. In the recently reported first quarter of fiscal 2023, the company added 3,000 net new locations, while its ARPU grew by 39%. It had recently launched B2B Network that connects brands to retailers in North America. With only 12% of its customers currently utilizing its payment offerings, the company has scope for expansion. It hopes to increase the rate to 50% over the next four years.

Although these initiatives have widened its adjusted EBITDA (earnings before interest, tax, depreciation, and amortization) losses, Lightspeed Commerce's management is hopeful of attaining adjusted EBITDA breakeven by March 31, 2024. So, I expect the company to deliver superior returns over the next three years.

Docebo

My final pick is **Docebo** ([TSX:DCBO](#))([NASDAQ:DCBO](#)), which provides highly configurable e-learning solutions. Amid the steep pullback in the tech space, the company trades over 66% lower than its 52-week highs. Meanwhile, the company continues to deliver strong performance, increasing its revenue by 36% in the recently reported second quarter. The net addition of 621 customers over the last four quarters and an increase of 18.4% in its average contract value drove its revenue.

Docebo earns over 90% of its revenue from recurring sources, which grew by 51%. Along with top-line growth, the company's adjusted EBITDA losses declined from \$2 million in the previous year's quarter to \$0.3 million. Meanwhile, the LMS (learning management system) market could grow at a CAGR of 14.2% through 2029. With its artificial intelligence-powered learning platform, the company is well positioned to drive growth in the coming years. Despite its high-growth prospects, the company trades at an NTM price-to-sales multiple of 5.9, which is lower than its historical average.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:DCBO (Docebo Inc.)
2. NYSE:BB (BlackBerry)
3. NYSE:LSPD (Lightspeed Commerce)
4. TSX:BB (BlackBerry)
5. TSX:DCBO (Docebo Inc.)
6. TSX:LSPD (Lightspeed Commerce)

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Date

2025/08/12

Date Created

2022/08/23

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