4 Cheap Growth Stocks That You'll Be Happy to Own by 2032

Description

Growth stocks have lost substantial value this year. Fear of a slowdown in the economy led investors to lower their exposure to growth stocks, leading to a massive price correction. However, as top TSX growth stocks are trading at multi-year lows, now is the time to start buying them for the long term. Fundamentally strong growth stocks could recover swiftly, as the economy improves and generate stellar returns for their shareholders.

So, if you have some spare cash, here are my top four picks you would be happy to buy now and hold until 2032.

Shopify

Tech stocks took a significant beating amid the recent selloff. With significant correction, tech stocks are looking like attractive long-term bets. Within the tech space, investors shouldn't miss the opportunity to buy **Shopify** (TSX:SHOP)(NYSE:SHOP) stock at current levels. It has dropped nearly 80% from its peak and is trading at a significant discount.

Shopify stock is poised to gain from the reacceleration in e-commerce growth. Its aggressive investments in POS (point of sale) and fulfillment, the addition of new sales and marketing channels through partnerships with leading social media companies, and the growing adoption of payments and capital offerings provide a solid platform for growth and will drive its stock price higher.

Aritzia

Aritzia (TSX:ATZ) stock has compounded investors' wealth and has grown at a CAGR (compound annual growth rate) of 36.7% in the past three years, thus outperforming the market averages with its returns. This multi-channel fashion retailer benefits from strong demand and solid organic sales growth. Also, Aritzia is profitable.

Looking ahead, Aritzia's product innovation, geographic expansion, the opening of new boutiques, investments in brand awareness, and entry into new verticals (in intimates and swimwear) bode well for growth. Moreover, its solid control over expenses, focus on debt reduction, and stable free cash flows will fuel its growth and support the uptrend in its stock price.

goeasy

Leasing and lending services provider **goeasy** (TSX:GSY) has been growing rapidly. goeasy's revenue and net income have grown at a CAGR of 15.9% and 38.2%, respectively, since 2011. Further, the momentum in business has sustained in 2022. Its top line has grown by 30% in the six months of 2022, led by higher loan originations and volumes. Moreover, its net income rose by 15% year over year during the same period.

goeasy revenues are expected to increase at a double-digit rate, reflecting benefits from higher loans and a wide product range. Moreover, its bottom line will benefit from increased sales, solid credit performance, and higher payment volumes. goeasy has hiked its dividend at a CAGR of 34.5%in the past eight years. Further, given the strength in its earnings base, goeasy could continue to increase its dividend at a solid rate.

Docebo

Docebo (TSX:DCBO)(NASDAQ:DCBO) is growing fast, despite the economic reopening. It provides software, solutions and tech that support corporate e-learning. Its annual recurring revenues have been growing at a CAGR of 66% since fiscal year 2016. Meanwhile, it benefits from an increase in customer base, active users, and growth in average contract value (it's increased more than four times since 2016).

Docebo's strength in the base business, new product launches, acquisitions, and geographic expansion are expected to support its growth. Furthermore, higher revenues from its existing customers through its land and expand strategy and high retention rate are positives and should support the recovery in its stock price.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

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2. NYSE:SHOP (Shopify Inc.)
3. TSX:ATZ (Aritzia Inc.)
4. TSX:DCBO (Docebo Inc.)
5. TSX:GSY (goeasy Ltd.)
6. TSX:SHOP (Shopify Inc.)

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snahata