2 Incredibly Cheap Growth Stocks to Buy for Market-Beating Growth

Description

Growth investors have not had the easiest of years in 2022. However, anyone that was invested in high-growth companies for the two years following the COVID-19 market crash in 2022 has had their share of gains.

What we've seen over the past six months is the stock market cooling off after an incredible but short-lived bull run. The steep market crash in early 2020 was followed by two years of nothing but growth for the Canadian stock market.

Over the past six months, we've witnessed many high-quality **TSX** stocks come crashing down. The long-term growth potential of many of those beaten-down businesses may still very well be firmly intact. But with the broader market selling off, many investors began dumping high-priced growth companies in anticipation of more selling.

Short-term pain for long-term gains

As a long-term investor, I'm not overly concerned with how the market will perform over the year or so. In all honesty, with both rising interest rates and inflation, I'm fully expecting continued volatility in the stock market for at least the next year.

But just because the market seems as if it's in turmoil doesn't mean I'm not investing right now. Long-term investors can have their pick on the TSX today of discounted growth stocks.

I've reviewed two top growth stocks that are trading far below 52-week highs. I'm a shareholder of both companies and have already added to my positions more than once this year. And with prices still trading at attractive valuations, it might not be long before I pick up more shares.

Growth stock #1: Lightspeed Commerce

Down about 50% year to date, **Lightspeed Commerce** (TSX:LSPD)(NYSE:LSPD) is back to trading at

April 2020 price levels.

Following the COVID-19 market crash, the tech stock rallied more than 500% by the end of the year. But since late 2021, the stock has been slashed, alongside many other high-growth tech companies.

Lightspeed is still a relatively new public company, having only joined the TSX in early 2019. Since then, shares are up a market-beating 30%, but that has come at the cost of extremely high levels of volatility.

The company reported its 2023 first-quarter (Q1) earnings a few weeks back. Despite the concerning macroeconomic conditions, Lightspeed posted strong quarterly revenue growth, which came in at 50% year over year.

Some investors may be worried about the widening losses, but this is a company largely in growth mode. Management continues to be focused on the company's long-term growth opportunity through both product innovation and growing internationally.

Now trading under $30 a share, this is a growth stock that you'll be thanking yourself in a decade for starting a position in today.

Growth stock #2: Shopify

Also coming off reporting quarterly results is **Shopify** (TSX:SHOP)(NYSE:SHOP). However, the quarterly results were overshadowed by the company announcing that it was cutting 10% of its workforce.

Shopify chief executive officer Tobi Lütke took ownership of the layoffs, explaining how his decision to expand rapidly during the pandemic was too aggressive.

However, similar to Lightspeed, Shopify continues to hold a top position in a growing market. At a market cap of $50 billion, Shopify is an international leader in the massively opportunistic e-commerce space.

Ever since Shopify joined the TSX it had been considered an expensive stock. But with shares now down more than 70% in 2022 alone, this is your chance to finally start a position in Canada's leading tech stock at a bargain price.

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