2 Cheap Growth Stocks (Under $30) That Could Double in 2 to 3 Years

Description

The fear of a recession amid high inflation and rising interest rates lowered investors' appetite for risk. This led to significant selling in top TSX stocks irrespective of the strength in their underlying business. For instance, several Canadian corporations saw their stocks plunge over 50%, despite consistently delivering strong financial and operating performances. I believe shares of these companies could bounce back sharply once the economic environment improves, thus generating stellar returns for their shareholders.

So, if you plan on buying some high-quality growth stocks, consider investing in the following two. It's worth noting that these stocks are trading under $30 while their businesses continue to grow fast.

Lightspeed

Shares of **Lightspeed** (TSX:LSPD)(NYSE:LSPD), like most tech stocks, lost nearly considerable value (down about 85% from the peak). This significant erosion in value was due to a short report from Spruce Point. Further, fear of an economic slowdown and impact on Lightspeed's business remained a drag.

Despite the growth concerns, Lightspeed's performance has impressed so far in 2022. It continues to grow its organic sales rapidly. During the last quarter, Lightspeed's organic sales increased 38% year over year. Further, with the ongoing momentum in its flagship products (targeting retail and restaurants), Lightspeed expects its organic revenue to grow by 35-40% in FY23.

Overall, the continued rise in gross payment volume, increased software adoption, the introduction of new modules, and the growing payment penetration rate will support its growth. Also, the rapid increase in its customer locations, benefits from acquisitions, and expansion into new markets and verticals augur well for growth.

Given the massive decline, shares of Lightspeed are trading at a multi-year low, providing a solid opportunity for investors to buy it cheap and benefit from the recovery in its price.

WELL Health

Digital healthcare service provider **WELL Health** (TSX:WELL) is another top tech stock worth investing in at current levels. The company continues to produce stellar financial performances, implying that the decline in its stock price is unjustifiable (WELL stock is down about 56% from the 52-week high).

During the last quarter, WELL Health's top line jumped by 127% year over year, driven by solid organic sales and benefits from acquisitions. Its omnichannel patient visits increased by 49%. This implies that the demand for its services remains high, despite the economic reopening. Further, its adjusted EBITDA (earnings before interest, taxes, depreciation, and amortization) more than doubled.

What's more? WELL Health has raised its 2022 guidance for the third time in a row, implying that the momentum in its business will sustain. Furthermore, WELL Health expects to be profitable (on the adjusted net income basis) in 2022, which is encouraging.

Overall, the strength in its organic sales and accretive acquisitions could continue to drive its sales and adjusted EBITDA in the coming quarters and, in turn, drive its stock price higher. Further, the momentum in its U.S. operations and solid free cash flow should support its growth.

WELL Health stock also appears attractive on the valuation front due to the pullback in its price and offers a solid entry point at current levels.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NYSE:LSPD (Lightspeed Commerce)
2. TSX:LSPD (Lightspeed Commerce)
3. TSX:WELL (WELL Health Technologies Corp.)

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