



3 Top Growth Stocks to Buy and Hold for the Next 10 Years

Description

The U.S. consumer price index rose 8.3% in August against analysts' expectations of 8.1%. With prices continuing to rise, the Federal Reserve could adopt more stringent monetary policies to bring inflation down. Amid rising interest rates, growth stocks will continue to be under pressure in the near term. However, if you are a long-term investor, you can go long on the following three quality growth stocks, available at attractive levels.

Nuvei

Digital transactions accelerated during the pandemic driven by e-commerce growth. Meanwhile, the sector could continue to grow, given the increased internet and mobile penetration. Analysts project the global digital payment market to grow at a CAGR (compounded annual growth rate) of over 20% through 2030. **Nuvei** ([TSX:NVEI](#))([NASDAQ:NVEI](#)) is well-positioned to capture that growth. The digital payments processor operates in more than 200 markets while supporting 150 currencies and 570 alternative payment methods (APM).

Amid the recent correction, the company has lost over 75% of its stock value compared to its 52-week high. At the same time, its NTM (next 12 months) [price-to-earnings](#) multiple has declined to 16.9, lower than its historical average. Despite the challenging environment, Nuvei has continued to post solid quarterly earnings and reiterated its medium-to-long-term guidance. Its expanding APM portfolio, development of innovative products, and geographical expansion could continue to drive its growth.

Meanwhile, Nuvei's management expects its total payment processing volumes and revenue to grow at 30% per annum in the near term. Under this scenario, its adjusted EBITDA (earnings before interest, tax, depreciation, and amortization) margin could cross 50% in the long run. As e-commerce giant **Shopify** forecasts global e-commerce sales to grow 35% to \$7.4 billion by 2025 to equal 23.6% of retail sales, Nuvei looks like an excellent long-term bet.

BlackBerry

BlackBerry ([TSX:BB](#))([NYSE:BB](#)) would be another astute addition to your long-term portfolio, given its exposure to high-growth markets, such as the Internet of Things (IoT) and cybersecurity. The company has a strong presence in the automotive sector, with its QNX platform running in 215 million vehicles. Besides, 24 of the 25 top electric vehicle manufacturers have adopted the company's platform.

Blackberry is also working on improving its IVY platform, which would allow auto manufacturers to access vehicle sensor data securely, and deliver the required services to enhance the driver experience. The company could also benefit from the growing spending on cybersecurity solutions. Meanwhile, BlackBerry's management expects its revenue to grow at a CAGR of 13% through fiscal 2027. Its gross profits could also expand at an average of 100 basis points per year. Also, the management expects to near breakeven in fiscal 2024 while delivering positive cashflows and EPS (earnings per share) in fiscal 2025.

Despite these growth prospects, BlackBerry is trading at a 49% discount from its 52-week high, thus making it an enticing buy.

goeasy

Given its solid track record (double-digit revenue and EPS growth for the last 20 years) and an attractive NTM price-to-earnings of 9.4, **goeasy** ([TSX:GSY](#)) would be my final pick. The low-barrier issuer of personal, home, and other loans is sharpening its credit analysis by using more data and advanced modeling techniques. It is also shifting toward secured lending. The percentage of secured loans in its receivable mix has increased from 1.4% in 2017 to 32.8% in 2021. Also encouraging, the company's net charge-off rate has declined from 13.6% in 2017 to 9.3%.

Meanwhile, goeasy is focusing on expanding its footprint, adding new customers, and strengthening its digital channels to drive growth. Management hopes to grow its loan portfolio by 65% to reach \$4 billion by 2024, growing its top and bottom line. The easy lender has rewarded its shareholders by raising [dividends](#) for the last eight years, with its yield currently at 2.92%.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:NVEI (Nuvei Corporation)
2. NYSE:BB (BlackBerry)
3. TSX:BB (BlackBerry)
4. TSX:GSY (goeasy Ltd.)
5. TSX:NVEI (Nuvei Corporation)

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