2 Battered Canadian Growth Stocks to Add to Your Radar Right Now

Description

The **S&P/TSX Composite Index** is down by 14.45% from its 52-week high as of this writing. Several macroeconomic issues continue fueling uncertainty in stock markets, as indicated by the decline of the Canadian benchmark index.

The inflationary environment and series of dividend hikes by the U.S. Federal Reserve and Bank of Canada to counteract it has placed immense pressure on the economy.

Combined with the impact of the Russia-Ukraine war, there is a growing risk of a near-term recession, sparking a selloff in stocks across the market. High-growth stocks have been hit the hardest by the volatility-led downturn, particularly technology stocks.

Investors with a long investment horizon can consider the downturn as an opportunity to identify and invest in high-quality stocks that can deliver stellar long-term returns on their investment.

Stock market investing is inherently risky, and growth stocks entail greater capital risk. However, fundamentally sound companies offer a great risk-to-reward ratio for investors willing to weather short-term volatility. Today, I will discuss two tech stocks you can consider adding to your portfolio if you already have a well-balanced portfolio and a high risk tolerance.

Lightspeed Commerce

Lightspeed Commerce (TSX:LSPD)(NYSE:LSPD) is a $3.46 billion market capitalization point-of-sale and e-commerce software provider headquartered in Montreal. It is a beaten-down growth stock, trading for significant losses.

As of this writing, Lightspeed stock trades for $23.05 per share, which is down by 86.10% from its 52-week high. The company's performance on the stock market has been abysmal since September 2021, but it continues to maintain strong sales growth.

Lightspeed stock's June-ending quarter saw its year-over-year total revenue grow by 50%. As the world moves into a post-pandemic era, the reopening of economies boosted its revenue growth through the return of in-person shopping and dining. The company expects to see its transaction-based and organic subscription revenue grow by 35-40% year over year for the current fiscal year.

The company's management has diversified its business model, grown its geographical footprint, and geared itself to grow substantially in the coming years. It can be an excellent bet, despite the risks due to the economic slowdown.

BlackBerry

BlackBerry (TSX:BB)(NYSE:BB) is a $4.09 billion market capitalization Canadian software company headquartered in Waterloo. Many people remember BlackBerry as a leading cellphone manufacturer that innovated a brand of interactive pagers, smartphones, and tablets.

The company has stepped away from that space, focusing on providing cybersecurity solutions to businesses and government organizations worldwide.

While it might not be in the most mainstream segment of the tech industry, BlackBerry has carved out a good niche for itself in recent years. It has increased its focus on developing artificial intelligence (AI) and machine learning-based solutions for the automotive industry.

The company's May-ending quarter saw it report a 6% year-over-year increase in its cybersecurity segment revenue. It also reported a 19% year-over-year increase in its Internet of Things (IoT) segment revenue.

As of this writing, BlackBerry stock trades for $7.09 per share, which is down by 54% from its 52-week high. BlackBerry might no longer compete with the top smartphone manufacturers today, but its innovative solutions might fuel stellar growth for the company in the long run.

Foolish takeaway

Suppose you have a well-balanced portfolio geared to mitigate losses due to market volatility and capital to invest in risky assets. In that case, Lightspeed Commerce stock and BlackBerry stock can be excellent buy-and-hold additions to your portfolio for at least the next five years.

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3. TSX:BB (BlackBerry)
4. TSX:LSPD (Lightspeed Commerce)

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