



2 Growth Stocks You Can Buy Right Now with Less Than \$100

Description

[Growth stocks](#) deliver superior returns over the long run, given their potential to grow their revenue and profits above the industry average. These stocks have become less desirable now as central banks worldwide have raised interest rates to tame inflation. For businesses, higher rates mean higher borrowing costs. However, I believe most of the corrections in the following two stocks appear to be complete. With October inflation numbers coming below expectations, these two under-\$100 stocks offer attractive buying opportunities.

Lightspeed Commerce

Lightspeed Commerce ([TSX:LSPD](#)) offers omnichannel e-commerce solutions to small- and medium-scale businesses across the retail, hospitality, and golf sectors. The weakness in the technology sector due to rising interest rates, high inflation, and expensive valuations has hit Lightspeed. The company has lost around 73% of its stock value compared to its 52-week high. The steep correction has dragged its valuation down, with its NTM (next 12 months) [price-to-sales](#) multiple falling to 2.9.

Bucking the downturn, Lightspeed has continued to deliver strong quarterly results, with its top-line growing by 38% in the recently posted Q2 results. Supported by its innovative product launches and global expansion, the e-commerce platform increased its average revenue per user growth (ARPU) by 25% to \$337. At the same time, the company added 1,000 new customers over the last four quarters. Also, the company's adjusted EBITDA (earnings before interest, tax, depreciation, and amortization) losses came lower than management's guidance of US\$10 million at US\$8.5 million.

Meanwhile, Lightspeed is working on integrating all its acquisitions to broaden its offerings under Lightspeed Retail and Lightspeed Restaurant. This initiative could streamline its operations, thus lowering its expenses and improving profitability. As more businesses are looking at digitizing day-to-day processes and using data insights to better serve their customers, the demand for the company's services could grow in the coming years. So, investors with a three-year investment horizon could look to accumulate the stock to earn superior returns.

Docebo

Second on my list would be **Docebo** ([TSX:DCBO](#)), which offers corporate e-learning solutions to businesses worldwide. It has a strong presence in North America, with 76% of its customers located in the region. Meanwhile, the company has been delivering solid performances over the last few years. Recurring revenue has grown at an impressive CAGR (compounded annual growth rate) of 66% since 2016. Also during the period, the company has increased its customer base by over 250% while growing its average contract value by four times.

Despite the volatile environment, Docebo has continued its uptrend, with its revenue growing by 37% during the recently reported third quarter. Its adjusted EBITDA came in at \$0.6 million, a substantial improvement from a loss of \$2 million in the corresponding quarter of the previous year. Additionally, the learning management company generated \$1 million in cash from its operations.

Meanwhile, I expect the uptrend to continue as more businesses adopt learning management solutions (LMS) to upgrade their employees. Fosway Group projects the learning management solutions market to grow at a CAGR of 21% from 2019 to 2025, thus expanding the addressable market for Docebo. Despite its healthy growth prospects, the company trades at a 60% discount from its 52-week high, thus making it an attractive buy.

Bottom line

Long-term investors should not bow down to near-term weakness. Instead, they should look to utilize these steep corrections to accumulate these stocks to earn superior returns. Investors making smaller investments can also buy these stocks, as they currently trade below \$50.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. TSX:DCBO (Docebo Inc.)
2. TSX:LSPD (Lightspeed Commerce)

PARTNER-FEEDS

1. Business Insider
2. Flipboard
3. Koyfin
4. Msn
5. Newscred
6. Quote Media
7. Sharewise
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