



3 TSX Stocks' High-Growth Prospects + Low Prices = Superior Returns

Description

[Growth stocks](#) will grow their financials at a higher rate than the industry average, thus outperforming the broader equity markets. However, these stocks are under pressure this year amid rising interest rates, high inflation, and an uncertain economic outlook. Meanwhile, the steep correction in the following three stocks has created buying opportunities for long-term investors, given their high growth potential.

WELL Health Technologies

WELL Health Technologies ([TSX:WELL](#)) is a digital healthcare company focusing on supporting healthcare practitioners through its innovative platform, which offers comprehensive end-to-end practice management tools. Amid the recent selloff due to the weakness in growth stocks, the company trades around 45% lower for this year. The steep correction has dragged its NTM (next 12-month) [price-to-earnings](#) multiple down to 10.4.

However, WELL Health has continued to deliver solid quarterly performances. Its revenue and adjusted EBITDA (earnings before interest, tax, depreciation, and amortization) grew by 47% and 23% in the September-ending quarter, respectively. Telehealthcare services are becoming popular among patients thanks to their cost effectiveness and accessibility. Also, the growing internet penetration and technological advancements are supporting its expansion.

Amid the growing market, WELL Health is looking to strengthen its position in the lucrative U.S. market through strategic acquisitions. Given its healthy growth prospects, the company's management expects its revenue run rate to approach \$700 million by the end of 2023. So, considering all these factors, I expect WELL Health to deliver multi-fold returns over the next 10 years.

Nuvei

Nuvei ([TSX:NVEI](#)) is a [fintech company](#) that facilitates businesses to accept next-generation payments. Although the company has continued to deliver solid quarterly performances this year, it has been

under pressure due to the weakness in the sector. The company has lost over half its stock value, with its NTM price-to-earnings multiple falling to 12.9.

However, digital transactions are becoming popular among customers amid e-commerce growth. Meanwhile, *Markets and Markets* projects the global digital payment market to grow at an annualized rate of over 15% over the next four years, thus expanding the addressable market for Nuvei. Meanwhile, the company has added new alternative payment methods to expand its portfolio to 586. It also focuses on introducing its services and products to new markets.

Further, the company recently received licences to service licensed operators in Maryland and Kansas, thus expanding its presence in the U.S. online gaming industry. So, given its multiple growth drivers and discounted stock price, Nuvei could deliver superior returns in the long run.

BlackBerry

On Tuesday, **BlackBerry** ([TSX:BB](#)) reported its third-quarter earnings, which ended on November 30. Its revenue came in at US\$169 million, ahead of analysts' expectations of US\$168.7 million. Its net losses stood at US\$4 million, or US\$0.05/share, which was better than analysts' projection of US\$0.08. Despite posting above-expected earnings, its stock price declined by 9.4% yesterday as the company's management cautioned investors that it expects a challenging macro environment in the near term.

The management expects its revenue from the cybersecurity segment to remain flat in the first half of 2023 while improving in the second half. Meanwhile, the revenue from its Internet of Things segment grew by 19%, with gross margins of 80%. The electric vehicle industry expansion and design win in safety technologies and general embedded domains boosted its sales. The company has received positive engagement for its IVY platform. So, despite the near-term weakness, the company's long-term growth potential looks healthy.

However, amid the recent selloff, BlackBerry is down 57% for this year while trading at 3.2 times its next four quarters' projected sales. So, I believe BlackBerry is an excellent high-risk, high-reward stock to have in your portfolio.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. TSX:BB (BlackBerry)
2. TSX:NVEI (Nuvei Corporation)
3. TSX:WELL (WELL Health Technologies Corp.)

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