2 Growth Stocks That Could Finally Rally in 2023

Description

If there's one area of growth stocks that are due for a rally, it's tech stocks. These companies saw an incredible drop during the last year or so. Granted, that's after a huge rally that lasted years.

With a recession possibly coming about in 2023, it could get worse for these companies before it gets better. Even so, that recession should last for the first half of 2023. And after that? It could be a period of growth that investors should get in on.

So, if you have even just a few months of patience in you, these are the two growth stocks I would consider are due for a rally in the second half of 2023.

Lightspeed stock

There were tech stocks and growth stocks that deserved to fall, and then there were companies like **Lightspeed Commerce** (TSX:LSPD). In fact, Lightspeed stock started falling well before the rest of the tech stocks. And it all came down to accusations that seemed to be false.

What we've seen in the last year and a half is a company proving its worth again and again, but with shares reaching lower and lower levels. Investors feared that this "land and launch" e-commerce company didn't have the snuff to keep up with competitors. The company continues to prove them wrong.

After making billions in investments, those acquisitions are now up and running, bringing with them immense revenue. Total revenue during the second quarter increased 38% year over year (41% at constant currency), with subscription revenue up 25%. While it still operates at a loss, it continues to beat analyst estimates. Furthermore, adjusted earnings before interest, taxes, depreciation, and amortization (EBITDA) came in ahead of its outlook.

The third-quarter results are around the corner. While I don’t expect the company to rebound yet, it should in 2023. It’s proven to be able to continue growing even while everything else falls around it. And with shares down 53% in the last year, there’s not much you can lose.

Dye & Durham

Now, there were growth stocks and tech stocks that dropped for a fairly good reason, and **Dye & Durham** (TSX:DND) was one of them. The company increased its software prices to the chagrin of clients. The stock dropped like a stone, which would have been terrible, except that it merely became the first in a tidal wave of increased prices and dropping shares.

DND stock is now one of the growth stocks I would watch in 2023. That’s mainly because it’s in a fairly stable software environment. DND stock supports software for financial institutions, governments and legal firms around the world. And it remains a strong buy at these levels.

In fact, the company has been doing quite well — so well it’s started a dividend, albeit low at 0.40%. Even so, earnings show DND stock is attempting at a comeback. Revenue increased 7% year over year, with its net loss decreasing by $33.6 million. It now holds an adjusted EBITDA at $64.4 million, up 3% from 2021.

With shares still down by 53% in the last year, it’s a great time to consider this stable stock, even though it’s new, it’s still a strong buy for those aiming at 52-week highs. And it could be one of the top growth stocks we see in 2023.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. TSX:DND (Dye & Durham Limited)
2. TSX:LSPD (Lightspeed Commerce)

PARTNER-FEEDS

1. Business Insider
2. Flipboard
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