4 High-Growth Stocks Selling Cheap: Nuvei, WELL Health, and More

Description

Growth stocks have the potential to grow their sales faster than the industry average, thus delivering superior returns. However, growth stocks have been under pressure over the last 12 months, as rising interest rates, uncertain outlook, and higher valuation appear to have weighed on their stock prices. The steep correction has created buying opportunities for long-term investors in the following four stocks.

Nuvei

Nuvei (TSX:NVEI) has made a solid beginning to this year, with its stock price rising by 25.9%. The announcement by the company to have signed an agreement to acquire Paya Holdings for $1.3 billion appear to have boosted the company's stock price. The acquisition would strengthen Nuvei's footprint across underpenetrated and non-cyclical end markets, with an estimated market of $1.2 trillion. Nuvei's management expects to close the acquisition by the end of this quarter.

Nuvei is expanding its product offerings and venturing into new markets, which could drive its customer base and average contract value. It has also launched "Nuvei for Platforms" worldwide. The highly customizable platform allows businesses to embed payments into their platforms, thus enhancing their customer experience. With the global digital payment market projected to grow in double digits through 2030, the company is well positioned to benefit from the market expansion.

Despite the recent recovery, Nuvei still trades more than 56% lower than its 52-week high while trading 16.5 times its projected earnings for the next four quarters. So, considering its cheaper valuation and high-growth prospects, I believe Nuvei would be a solid addition to your long-term portfolio.

WELL Health Technologies

Second on my list is **WELL Health Technologies** (TSX:WELL), a digital healthcare company focusing on helping healthcare professionals provide omnichannel services to patients. With the growing internet penetration and development of innovative product offerings, analysts project the global telehealthcare market to grow at an annualized rate of 24% through 2030.

Meanwhile, the company is expanding its footprint across Canada and the United States through the acquisition of INLIV and Grand Canyon Anesthesia. Amid the expanding addressable market and its growth initiatives, WELL Health's management expects its revenue run rate to reach $700 million by the end of this year. So, the company has solid growth prospects.

Meanwhile, WELL Health has also started 2023 on a solid note, with its stock price rising by 24.6%. Despite the surge, the company still trades at an attractive NTM (next 12-month) price-to-earnings multiple of 13.7, making it an attractive buy.

Lightspeed Commerce

Another tech stock witnessing strong buying this year is **Lightspeed Commerce** (TSX:LSPD), which offers omnichannel selling solutions to small- and medium-scale enterprises (SMEs) across retail, hospitality, and golf sectors. Year to date, the company's stock price has increased by 14.7%. Despite the recovery, it is still trading over 50% lower than its 52-week high.

Meanwhile, Lightspeed Commerce continues to deliver solid quarterly performance, with its revenue in the recently reported second quarter of fiscal 2023 growing by 38%. The company's adjusted EBITDA (earnings before interest, tax, depreciation, and amortization) came in at $8.5 million, which is lower than its guidance of $10 million. Further, the company has recently announced cost-cutting initiatives, such as slashing its headcount. It is also investing in innovation to launch flagship products, which can fuel its long-term growth.

So, with more SMEs adopting an omnichannel selling model, I expect Lightspeed Commerce to continue to drive its financials and stock price in the coming years.

goeasy

My final pick is **goeasy** (TSX:GSY), which has been delivering consistent performance over the last decade. However, last year, the company lost around 38% of its stock value, as investors were worried that rising interest rates and a weakening economic outlook would increase delinquencies, thus hurting its financials. The steep pullback has dragged its NTM price-to-earnings ratio down to an attractive 8.7.

Despite the challenging environment, goeasy's management expects its loan portfolio to reach $4 billion by the end of 2025, representing a 54% growth from its current levels. Its wide range of products and omnichannel presence could boost its loan portfolio. Meanwhile, the expansion of its loan portfolio could drive its financials in the coming years. So, I believe goeasy would be an ideal buy for investors with a more than three-year investment horizon.

CATEGORY

1. Investing
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TICKERS GLOBAL

1. TSX:GSY (goeasy Ltd.)
2. TSX:LSPD (Lightspeed Commerce)
3. TSX:NVEI (Nuvei Corporation)
4. TSX:WELL (WELL Health Technologies Corp.)

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