



2 Phenomenal Growth Stocks Down 65% That Could Rally in the Next Bull Market

Description

The ongoing bear market has been extremely painful for investors with exposure to tech stocks. While tech stocks have staged a rebound this January, they are still trading at depressed multiples compared to historical valuations.

However, every major dip provides investors an opportunity to buy quality stocks at a discount and benefit from exponential gains when markets recover. For instance, the shares of **Amazon** soared close to 9,000% between the depths of the financial crash in 2008 and the peak of 2021.

While it's impossible to time the market bottom, it makes sense to slowly increase your position in companies that enjoy a leadership position, have a wide economic moat, and are reasonably valued.

Here, we'll look at two such phenomenal growth stocks down 65% that could rally in the next bull market.

A cybersecurity giant

Down 49% in 2022 and 65% from all-time highs, cybersecurity giant **CrowdStrike** ([NASDAQ:CRWD](#)) should be on your shopping list right now. Despite a sluggish macro environment, CrowdStrike increased sales by 53% year over year in the fiscal third quarter (Q3) of 2023 (ended in October). Its free cash flow also stood at a record US\$174 million in the quarter.

However, similar to other tech stocks, CRWD is also experiencing a slowdown in top-line growth, as sales were up 67% year over year in fiscal Q3 2022.

CrowdStrike enjoys a dollar-based net retention rate of 124%, indicating existing customers increased spending on the platform by 24% in the last year. A highly engaged customer base should help CrowdStrike generate stable revenues across business cycles.

Analysts tracking CRWD stock expect its sales to double from US\$1.45 billion in fiscal 2022 to US\$2.96 billion in fiscal 2024. Its adjusted earnings per share are also expected to triple from US\$0.67

to US\$1.99 in this period.

Valued at nine times 2024 sales and 52 times forward earnings, CRWD stock continues to trade at a premium. But analysts remain bullish on the stock and expect shares to surge close to 65% in the next year.

Ballard Power Systems

Involved in the clean energy space, **Ballard Power Systems** ([TSX:BLDP](#)) has developed a zero-emission PEM, or proton exchange membrane, fuel cell. The fuel cell is powered by hydrogen and can be used to electrify buses, trucks, trains, cars, and even marine vessels.

Ballard Power is focused on developing new use cases for hydrogen energy. Last year, it announced a partnership with **ABB**, a Switzerland-based industrial heavyweight. The two companies will develop fuel cells that will power ships. The company also partnered with one of India's largest conglomerates- Adani Group, where the two will comprehend the commercial use of hydrogen fuel cells in the country.

BLDP stock is down 85% from record highs and is valued at \$2.3 billion by [market cap](#). Analysts tracking the stock expect its sales to remain rangebound in the near term. But if you expect the adoption of hydrogen fuel cells to accelerate in the upcoming decade, you can initiate a small position in BLDP stock.

Analysts expect shares of Ballard Power to more than double in the next 12 months.

CATEGORY

1. Investing
2. Tech Stocks

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2. TSX:BLDP (Ballard Power Systems Inc.)

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