



Growth Stocks Are Showing Signs of Life Again: 3 to Buy Before They Take Off

Description

After a tough last year, [growth stocks](#) have made a solid beginning to 2023. The signs of inflation slowing down, lower interest rate hikes by the U.S. Federal Reserve, and steep corrections appear to have made these growth stocks attractive. Amid the beginning of the recovery rally, here are three top Canadian stocks you can buy right now to earn superior returns.

Nuvei

Nuvei ([TSX:NVEI](#)) offers modular, flexible, and scalable technology that allows its clients to accept alternative payment methods (APM). It operates in over 200 markets while supporting 150 currencies and 580 APMs. The improvement in investors' sentiments and the signing of an agreement to acquire Paya Holdings, which offers integrated payment and commerce solutions in the United States, appear to have driven the company's stock price.

Year to date, Nuvei's stock price has increased by 42%. However, it still trades at a discount of over 50% from its 52-week high. Also, its valuation looks cheap, with its NTM (next 12-month) price-to-earnings multiple standing at 18.9.

The digital payments market is expanding due to its growing popularity and increased internet penetration. Nuvei is strengthening its architecture and infrastructure to support higher traffic, venturing into new markets, adding new APMs, and launching new innovative products to capture the growing market. Meanwhile, the company's management expects its top line to grow at an annualized rate of over 30% in the medium term while achieving an adjusted EBITDA (earnings before interest, taxes, depreciation, and amortization) margin of over 50% in the long run. So, I believe the rally in Nuvei's stock price will continue.

WELL Health Technologies

WELL Health Technologies ([TSX:WELL](#)), a digital healthcare company, is witnessing healthy buying this year, with its stock price rising by around 33%. Despite the increase, the company still trades at 15

times analysts' projected earnings for the next four quarters, making it an excellent buy for long-term investors.

Given the accessibility and convenience that telehealthcare services offer, analysts expect the market to grow at a rate of over 20% for the rest of this decade. The company is expanding its market presence through acquisitions. These acquisitions appear to be accretive, as the company's profitability is improving. The company's adjusted net income increased by 50% in the recently reported third quarter while generating an adjusted EBITDA of \$27.5 million.

Further, WELL Health's management expects to reach a [revenue](#) run rate of \$700 million by the end of 2023. So, given its high-growth prospects, improving profitability, and attractive valuation, I am bullish on WELL Health.

goeasy

goeasy ([TSX:GSY](#)) is a Canadian financial services company that provides lending and leasing services to subprime lenders. The company has posted a solid performance over the last five years, with its revenue and diluted EPS (earnings per share) growing at a CAGR (compound annual growth rate) of 20% and 28%, respectively. Despite its impressive performance, the company's stock price fell by around 38% last year.

The growing fears of delinquencies amid rising interest rates and uncertain economic outlook had dragged the company's stock price down. However, with the inflation cooling down and the Federal Reserve slowing down its interest rate hikes, goeasy has witnessed healthy buying this year, with its stock price rising by 21.5%. However, it still trades at an attractive NTM [price-to-earnings](#) multiple of 9.8.

Supported by its expanded product offerings, omnichannel loan distribution channels, and geographical expansion, goeasy's management expects its loan portfolio to grow by 54% to reach \$4 billion by 2025. Its net charge-off rate is within the company's guidance of 8.5-10.5%. So, I expect the uptrend in goeasy's stock price to continue.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

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

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Author

rnanjapla

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