4 High-Growth Stocks Selling Cheap: BlackBerry, goeasy, and More

Description

With the signs of inflation cooling down and a lower interest rate hike by the federal reserve, growth stocks have been witnessing healthy buying since the beginning of this year. Despite the rise, the following four growth stocks are trading at substantial discounts from their 52-week highs, thus offering an excellent entry point for long-term investors.

BlackBerry

First on my list is **BlackBerry** (TSX:BB), which specializes in cybersecurity and Internet of Things (IoT) businesses. Amid digitization and growth in remote working and learning, the demand for cybersecurity solutions is growing, thus expanding the addressable market for the company. Meanwhile, the company is strengthening its cybersecurity platform to expand its market share.

Additionally, the company is witnessing solid growth in its IoT business amid design wins in safety-critical automotive and general embedded domains. It has integrated its IVY platform into three next-generation digital cockpits. The company has also stated that it would make the platform generally available from May 2023 to accelerate the development of third-party applications. So, the company's growth prospects look healthy.

Meanwhile, BlackBerry's management expects its overall revenue to grow at a CAGR (compound annual growth rate) of 13% over the next five years. Despite its healthy growth prospects, the company trades at a discount of around 41% compared to its 52-week high. Also, its price-to-book multiple stands at 1.9, making it an attractive buy.

goeasy

goeasy (TSX:GSY) reported a solid fourth-quarter performance yesterday. Supported by a strong performance across its product range and acquisition of channels, the company generated loan originations of $632 million, representing a 25% growth from its previous year's quarter. The strong growth expanded its loan portfolio to $2.79 billion. Amid the loan portfolio expansion, the company's revenue and adjusted EPS (earnings per share) grew by 17% and 11%, respectively.

The company's net charge-off rate declined from 9.6% in the previous year's quarter to 9%, which is encouraging. Meanwhile, the company's management expects its upward momentum to continue and has provided solid guidance for the next three years. The management expects its loan portfolio to reach $5 billion by the end of 2025, representing a 79% growth from its current levels. Also, the company expects to deliver a return on equity of over 22% every year. So, considering its growth prospects and a cheaper NTM (next 12-month) price-to-earnings ratio of 9.2, I am bullish on goeasy.

WELL Health Technologies

WELL Health Technologies (TSX:WELL) has gained over 40% since the beginning of this year. Despite the recent surge, it still trades at a discount of 30% from its 52-week high. Also, its NTM price-to-earnings ratio stands at 15.8, which looks cheap for a company growing its revenue at 47%.

Telehealthcare services are rapidly becoming popular, thanks to their accessibility and convenience. Also, innovative product launches and internet penetration have supported the growth. Meanwhile, Grand View Research expects the sector to grow at a rate of 19.5% through the rest of the decade. With its recent expansion in the United States and Canada through acquisitions, WELL Health is well equipped to benefit from the market expansion. Meanwhile, the company's management expects to reach a revenue run rate of $700 million by the end of this year. So, WELL Health would be an excellent buy for long-term investors.

Docebo

Docebo (TSX:DCBO) is a technology company that offers LMS (learning management system) to businesses and enterprises worldwide. Given their cost effectiveness and convenience, more businesses are adopting LMS to train their employees and customers. Meanwhile, Fortune Business Insights projects the sector to grow at a CAGR of over 14% through 2029.

Given its artificial intelligence-powered and highly configurable platform, Docebo is well positioned to expand its market share. Its expanding customer base, growing average contract value, and multi-year client agreements support its growth. Despite its healthy growth prospects, the company trades at a discount of around 25% from its 52-week high, thus offering an excellent entry point for long-term investors.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. TSX:BB (BlackBerry)
2. TSX:DCBO (Docebo Inc.)
3. TSX:GSY (goeasy Ltd.)
4. TSX:WELL (WELL Health Technologies Corp.)

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