



## Got \$10? 2 Growth Stocks That Could Double This Year

### Description

Some beaten-down stocks last year are among the [screaming buys](#) in 2021. **Baytex Energy** ([TSX:BTE](#))(NYSE:BTE) and **Roots Corporation** ([TSX:ROOT](#)) are a case in point. The share prices remain ridiculously low, yet the trailing one-year price returns are over 200%. Frugal investors can take advantage and [double their money](#) in 2021, even if their seed capital is \$10.

### Future top-tier oil producer

The energy sector continues to lead advancers in the **TSX's** continuing rally in 2021. Individually, however, Baytex Energy outperforms its peers, the sector, and the broader market with its 209% year-to-date gain. The share price is only \$2.13. Had you invested \$1,000 at year-end 2020, your money would be worth \$3,086.96 today.

Baytex's market cap stands at only \$1.23 billion, but it owns a world-class asset base. While the 28-year-old oil and gas company isn't as old as energy giants **Enbridge** (72 years), **TC Energy** (70), or **Pembina Pipeline** (67), it has an ambitious goal to become a top-tier oil producer in North America someday.

In the quarter ended June 30, 2021, Baytex surprised investors with a 190% increase in petroleum and gas sales versus Q2 2020. The \$1,052,999 net income compared to the \$138,463 net loss in the same period last year was even more stunning.

Following the impressive operating performance and current commodity prices, Baytex expects to deliver over \$350 million of free cash flow in 2021. It should enable the company to accelerate its debt reduction efforts. Likewise, management is committed to a disciplined and returns-based capital allocation philosophy.

Baytex President and CEO Ed LaFehr said its five-year outlook (2021 to 2025) highlights financial and operational sustainability and meaningful free cash flow generation. Likewise, during the plan period, management is committed to a disciplined and returns-based capital allocation philosophy.

## Focus on the long-term

Roots is another remarkable comeback story in 2021. Investors in the premium lifestyle brand enjoy a 31% gain, thus far, in 2021. However, the current share price of \$3.19 is 157% higher than a year ago. The stock could climb between 40% (\$4.46) and 88% (\$6.00) in the next 12 months based on analysts' forecasts.

Despite the temporary closure of its store fleet in North America for about 30% of the quarter ended May 31, 2021, Roots reported a 24.7% increase in total sales versus the first quarter of the year. The direct-to-consumer business segment reported a 27.6% increase in sales.

Notably, the company's net loss (\$4.9 million) for the quarter was 37% lower compared to the same period last year. Overall, the quarterly financial results reflect the ongoing impacts of the global pandemic. Roots President and CEO Meghan Roach said, "Despite the volatility of our current operating environment, we have significantly strengthened the fundamentals of the company over the past five quarters."

Roach emphasizes management's focus on the long term. Roots will continue to amplify its iconic brand with great creativity and product execution. It will also reinvest to drive growth in profitable ways. She adds that customers love the comfort, quality, and versatility of their products, as well as the digital convenience.

## Remarkable comebacks

Baytex Energy and Roots are two of the forgotten names during the COVID year. However, their remarkable comebacks from the pandemic's impact make them viable prospects for [growth investors](#) in 2021. The premise that a \$10 investment could double this year is not an exaggeration.

### CATEGORY

1. Energy Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:BTE (Baytex Energy Corp.)
2. TSX:ROOT (Roots Corporation)

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