



3 Growth Stocks That Could Double in 2022

Description

In the last few trading sessions, several [growth stocks](#) have experienced a pullback, providing investors an opportunity to buy the dip. Here, we'll look at three stocks that are top contrarian bets right now and may gain over 100% in the next 12 months.

4Front Ventures

The first stock on my list is cannabis company **4Front Ventures** ([CNSX:FFNT](#)), which has operations south of the border. A multi-state operator valued at a market cap of \$772 million, FFNT has increased sales from US\$4 million in 2018 to US\$57.6 million in 2020. Analysts expect sales to more than triple to US\$176 million this year and rise by 60% to US\$281 million in 2021.

The company has a presence in five states that include Washington, Massachusetts, Illinois, Michigan, and California, providing it with access to 75 million customers. It's the top edibles manufacturer and the second-largest producer of cannabis flowers in Washington.

While most cannabis producers in Canada are struggling with negative profit margins, 4Front forecasts adjusted EBITDA between US\$40 million and US\$50 million this year. The legal cannabis market in the U.S. is expected to touch US\$37 billion by 2024, providing 4Front with enough opportunities to increase its top line going forward.

Nuvei

A [fintech company](#) valued at a market cap of \$16.4 billion, **Nuvei** ([TSX:NVEI](#))([NASDAQ:NVEI](#)) stock is down 35% from all-time highs. The total volume processed on the Nuvei platform rose by 88% to \$21.6 billion in Q3, up from \$11.5 billion in the year-ago period. e-commerce accounted for 83% of total volume.

This stellar growth allowed it to increase sales by 96% year over year to \$183 million, while adjusted net income soared to \$62.3 million, up from just \$16.5 million in the year-ago period.

Nuvei continues to expand its payments ecosystem, which will be a key driver of top-line growth in the future. It was recently approved to provide payment-processing services to sports-wagering operators in Louisiana and Arizona.

According to Nuvei, Louisiana's sports betting industry might attract \$200 million in operator revenue and \$2.5 billion in annual sports wagers. Nuvei can, in fact, offer payment services in 17 states in the U.S. where sports betting is legalized, widening its revenue stream at an accelerated pace.

Roku

The final stock on my list is **Roku** ([NASDAQ:ROKU](#)), a streaming giant valued at a market cap of US\$27.6 billion. Roku stock is currently down 57% from all-time highs but remains a solid bet for long-term investors.

Roku initially gained traction with its low-margin hardware products. However, in the last three years, its ad-platform sales have amplified significantly and now generate the majority of revenue for Roku.

The company continues to expand its product offerings that include Roku Channel and Roku TV. It aims to leverage customer data extracted from the Roku Channel to drive customer engagement rates higher, resulting in incremental ad sales. In Q3 of 2021, Roku's average revenue per user rose by 50% year over year to more than US\$40.

A major driver for Roku's revenue growth will be its expansion into international markets in Latin America, Asia, and Europe. The company is well poised to [benefit from a network effect](#), where an increase in the number of accounts will expand ad spending.

At the time of writing, Roku stock has a forward price-to-2022 sales multiple of 7.3, which is extremely reasonable given its stellar growth estimates.

Roku sales are forecast to rise from US\$1.78 billion in 2020 to US\$3.8 billion in 2022. Comparatively, its bottom line might improve from a loss of US\$0.14 per share in 2020 to earnings of US\$1.62 per share in 2022.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. CNSX:FFNT (4Front Ventures Corp.)
2. NASDAQ:NVEI (Nuvei Corporation)
3. NASDAQ:ROKU (Roku)
4. TSX:NVEI (Nuvei Corporation)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. araghunath
2. kduncombe

Category

1. Investing
2. Tech Stocks

Date

2025/06/30

Date Created

2021/12/06

Author

araghunath

default watermark

default watermark