



2 Growth Stocks With 10X Potential

Description

Growth investors should load up on stocks that could deliver [outsized gains](#) in 2022 and perhaps grow 10 times more in the near term. If you're eyeing the best value for your money, consider prioritizing **Baytex Energy** ([TSX:BTE](#))(NYSE:BTE) and **Xebec Adsorption** ([TSX:XBC](#)). Both growth stocks trade [below \\$5 per share](#), so the entry point shouldn't be expensive.

Off-the-charts earnings growth

Baytex Energy is already a high flyer in 2021. At only \$4 per share, the year-to-date gain is a whopping 479.71%. Had you invested \$5,000 on year-end 2020, your money would be worth \$28,985.51 on December 8, 2021. Based on analysts' forecasts, the maximum return potential in 12 months is 43.8%.

Management has yet to present its full-year 2021 results, although, after three quarters, Baytex's revenues and earnings are off the charts. Total petroleum and natural gas sales grew 77.4% to \$1.3 billion. The \$2.01 billion oil & gas company reported \$1 billion in net income compared with the \$2.66 billion net loss in the same period last year. It also generated \$284 million in free cash flow during the period.

According to management, its five-year plan follows a disciplined, returns-based capital-allocation philosophy. Baytex's outlook from 2021 to 2025 highlights financial and operational sustainability plus meaningful free cash flow generation. The company expect to generate a cumulative free cash flow of around \$2.6 billion if the WTI price is US\$75/bbl.

Meanwhile, given the current pricing environment and its continued capital discipline, Baytex could achieve its initial net debt target of \$1.2 billion during Q2 2022. During the plan period, management will monitor its leverage position and assess market conditions to determine which method or combination can enhance shareholder returns.

With \$471 million in undrawn credit facilities after September 30, 2021, Baytex has ample financial liquidity moving forward. In the coming years, Baytex's considerations are share buybacks, dividend payments, and reinvestments for organic growth.

Clean energy solutions

Xebec Adsorption may be obscure, but it should generate more attention in 2022, particularly with ESG investors. It provides clean energy solutions for renewable and low carbon gases used in energy, mobility, applications.

The \$384.95 million company's specialty or expertise is deploying proprietary technologies for the distributed production of hydrogen, renewable natural gas, oxygen, and nitrogen. Xebec's primary focus is to generate environmentally responsible gas.

Xebec caters to clients in North America, Europe, Asia, and the Middle East. Establishing partnerships in new markets of interest is an ongoing activity. It has eight manufacturing facilities, 15 Cleantech service centres, five sales offices, and one Hydrogen R&D facility.

Xebec operates in renewable natural gas (RNG), green hydrogen, and industrial (hydrogen, oxygen, and nitrogen) markets. The company has a full suite based on proprietary technologies and in various categories regarding product lines.

In the nine months ended September 30, 2021, total revenue (system and support) reached \$80 million, a 59.4% growth versus the same period in 2020. However, net loss increased to \$21.4 million compared to \$2.4 million.

Despite the losses, market analysts are bullish on the clean energy stock. They forecast the current share price of \$2.67 to climb 124.7% to \$6. In mid-January 2021, Xebec peaked at \$11.11.

Scoop them now

The year is [winding down fast](#), but you still have time to scoop shares of Baytex Energy and Xebec Adsorption for explosive returns in 2022.

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Date

2025/06/30

Date Created

2021/12/11

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