



3 TSX Stocks That Lost in 2021 But Could Soar in 2022

Description

Stocks have had a pretty good year in 2021 so far. The TSX is up 19% for the year and the S&P 500 is closing in on 30%.

It has been a great run. But will this year's winners be tomorrow's winners?

Not necessarily.

There are plenty of cases of stocks that traded upward for a long time before eventually collapsing. Enron would be one example, Pets.com another. On the flipside, there have been plenty of stocks that have trended down for ages before eventually staging dramatic recoveries. **Apple** would be the most salient case in point here.

The point is, yesterday's losers could be tomorrow's winners and vice versa. In this article, I will explore three of this year's "losers" that have serious potential heading into 2022.

Kirkland Lake Gold

Kirkland Lake Gold (TSX:KL)(NYSE:KL) is a Canadian gold stock that has delivered a negative return for 2021 so far. Its stock has been hit by weakness in gold prices, but its earnings are actually trending upward. In its most recent quarter, Kirkland Lake Gold delivered \$255 million in earnings, [up 26% year over year](#) and 4% sequentially. The amount of gold mined increased 5% in the quarter. Over the last three years, KL's earnings have grown by 45% CAGR.

Clearly, weakness in the price of gold has gotten investors jittery about Kirkland Lake. But if you look under the hood, the company has a lot going for it. With steadily growing production, \$847 million in cash and no debt, Kirkland Lake Gold is very financially sound. If the price of gold starts rising next year, then its stock is gonna go gangbusters. And even if gold doesn't budge, increasing production could deliver value to shareholders.

Lightspeed

Lightspeed ([TSX:LSPD](#))([NYSE:LSPD](#)) is a Canadian stock that's down this year, despite rising sales. Lightspeed's revenue grew at 193% in its most recent quarter, though its net loss ballooned as well.

Thanks to a series of successful acquisitions, LSPD has been producing blockbuster growth. Its acquisitions include Ecwid, an e-commerce shopping cart company that profits from the pandemic-era shift to online shopping. Make no mistake: Lightspeed has paid a heavy cost for its investments. Its revenue is growing very fast, but its net loss is growing even faster. There is real risk here. But if the strong growth continues and Lightspeed doesn't go totally crazy with acquisitions, it could see its losses shrink. In that case, its stock could rise next year.

Fortis

Fortis ([TSX:FTS](#))([NYSE:FTS](#)) is a stock that is actually up in 2021 but far behind the TSX Index. With an 11% gain in its stock price, it lags the TSX by about 8%. Fortis's earnings results haven't been amazing recently, and the company has a lot of debt. However, it is a very reliable company that has produced [47 consecutive years of dividend increases](#). If the selloff in overhyped growth stocks continues, then we might see investors pour into stable value plays like FTS. If that transpired, the stock could do better in 2022 than it did in 2021.

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