



## 3 Beaten-Down TSX Stocks That Could Rise in 2022

### Description

Stocks took a beating last week. With renewed COVID-19 fears and news that the Federal Reserve planned on raising interest rates, investors sold off stocks at a frantic pace. The most turbulent period for the markets since February, it had investors reeling, which is all the more reason to buy stocks now.

To buy low and sell high, you often need to buy when everyone else is panicking. The risk factors in the market today are very real, but they will pass. So, any decline in stock prices is just an opportunity to get in cheaper than you could before. With that in mind, here are three beaten-down TSX stocks that could rise in 2022.

### Lightspeed Commerce

**Lightspeed Commerce** ([TSX:LSPD](#))([NYSE:LSPD](#)) is a stock that has been battered on multiple fronts lately. Down 66% from its all-time high, it has taken a severe beating. The company's problems started when Spruce Point Capital released a short report on it. The report contained multiple allegations, including aggressive revenue recognition, picking and choosing non-GAAP metrics that flattered it, and having suspiciously strong revenue growth in 2020. There was no "smoking gun" in the report, but it sent a message, as LSPD stock began falling immediately after it was released.

The second thing that hit LSPD hard was its second-quarter earnings release. In the second quarter, LSPD showed a massively widening net loss. Revenue grew at an impressive 193% but expenses grew even more. So, while the company lived up to its "growth stock" name, it also burned through shareholder value. Investors weren't impressed, so they sent its stock tumbling.

All of these developments were harmful to Lightspeed. But now, with the stock down 66%, it's approaching the magnitude of loss Spruce Point Capital forecast. The damage is done, and the stock could rise in 2022 if it is able to deliver smaller losses along with still-high revenue growth.

### Air Canada

**Air Canada** ([TSX:AC](#)) is a stock that needs no introduction. It lost \$4.6 billion in 2020 because of COVID-19 and is still losing money to this day. Its most recent quarterly loss (\$640 million) wasn't too bad, but the company would still lose \$2.56 billion in a year at that rate. Now, [Omicron is creating more travel restrictions](#) that make it even harder for Air Canada to make money. However, the company's cash flow (\$153 million) in its most recent quarter was positive. It does look like things are beginning to turn around. So, there is some potential for AC stock to rise in 2022.

## Magna International

**Magna International** ([TSX:MG](#))([NYSE:MGA](#)) is [a company that has been in decline](#) for a long time. Its revenue and earnings have been declining for a full three years. It is a supplier of parts to car companies, mainly American ones. America's auto industry (apart from EVs) has been struggling ever since the 2008-2009 financial crisis. Magna's main business activities have declined along with it.

However, the company recently started a joint venture with **LG Electronics** that will see the two companies work together to deliver EV motors and other vital EV parts. This would be a natural sell to Magna's existing clients, who all want to break into the EV space. So, MG stock could potentially gain next year on EV momentum.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. NYSE:LSPD (Lightspeed Commerce)
2. NYSE:MGA (Magna International Inc.)
3. TSX:AC (Air Canada)
4. TSX:LSPD (Lightspeed Commerce)
5. TSX:MG (Magna International Inc.)

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