3 Energy Stocks Could Soar More Than 100% in 2022

Description

If you were not able to ride on the momentum of energy stocks in 2021, the winning stocks could repeat its stellar performances this year. **Birchcliff Energy** (TSX:BIR), **Crescent Point Energy** (TSX:CPG)(NYSE:CPG), and **MEG Energy** (TSX:MEG) rewarded investors with gains of 125% up to 263% last year.

Barclays Bank predict that oil prices could climb to an average price of US$77 per barrel. **Goldman Sachs** said the price could hit US$85 per barrel by 2023. If the favourable pricing environment continues, the share prices of Birchcliff. Crescent, and MEG could soar by 100% or more. Growth stocks have advanced between 9.55% and 21.20% this year already.

Fantastic return

Birchcliff Energy is the cheapest of the three stocks ($7 per share), and its total return last year was a fantastic 263.07%. This $1.77 billion intermediate oil and natural gas company also pays a modest 0.57% dividend.

After three quarters in 2021, net income reached $204.38 million versus the $102.41 million net loss in the same period in 2020. The year-over-year revenue growth was 73.57%. Birchcliff's adjusted funds flow was $346.08 million, a 193.25% increase compared to the first three quarters in 2020.

Its president and CEO Jeff Tonken said. "Birchcliff delivered exceptional third quarter results, highlighted by record quarterly adjusted funds flow and free funds flow. As a result of this excellent performance, we are swiftly reducing our debt." Market analysts recommend a strong buy rating for the stock.

Substantial cash flow

Crescent Point's president and CEO Craig Bryksa said, "Our third-quarter and year-to-date results continue to demonstrate the success of our operational, financial and strategic execution." In Q3 2021, management reported a net income of $77.5 million — a 15,400% jump from Q3 2020.

After three quarters in 2021, Crescent had $1 billion cash flow from operating activities, representing a 63.05% year-over-year growth. The $3.92 billion producer of light and medium crude oil and natural gas has a conservative budget ($825 million to $900 million).

However, if the price is US$75 per barrel, the budget could generate excess cash flow of around $925 million, after dividends. The share price is $8.06, while the dividend yield is 2.3%.

Incredible revenue growth

MEG Energy transports and sells thermal oil (AWB) to customers in North America and internationally. The $3.71 billion energy company actively develops innovative enhanced oil recovery projects that utilize steam-assisted gravity drainage (SAGD) extraction methods. MEG's area of concentration (situ thermal oil production) is in the southern Athabasca oil region of Alberta.

In the nine months ended September 30, 2021, revenue grew 100.27% to $3 billion compared to the same period in 2020. MEG's net income was $105 million versus the $373 million net loss. Derek Evans, MEG's president and CEO, credited the focus on plant reliability, steam utilization, and well optimization for the strong operational Q3 2021.

The company has yet to report its full-year 2021 results, although the energy stock's total return last year was 161.57%. MEG trades at $13.52 if you plan to take a position today.

High flyers

The three high-growth stocks in 2021 could be high flyers again in 2022 and deliver extra-large gains.

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