



Price Performer in '22: 1 Auto Parts Stock With a 450% Upside

Description

The auto parts industry did pretty well despite the challenging environment and supply chain bottlenecks in 2021. Prominent stocks like **Linamar Corporation** (+12.25%) and **Magna International** (+15.8%) did not disappoint investors and delivered positive returns.

However, **Uni-Select** ([TSX:UNS](#)) was the high-flyer with its 217.4% overall return. The stock's performance was far better than the broader market and the red-hot energy sector. For 2022, **Westport Fuel Systems Inc.** ([TSX:WPRT](#)) ([NASDAQ:WPRT](#)) could be the industry's top [growth stock](#) and price performer.

Westport is [absurdly cheap](#) (\$2.35 per share), although market analysts are bullish. Their 12-month average price target is \$13.04, or a [potential upside](#) of 454.9%. Meanwhile, Uni-Select is approaching its 52-week high.

Growth opportunities ahead

Uni-Select will present its Q4 and full-year 2021 earnings results on February 18, 2022. In the nine months ended September 30, 2021, total sales increased 9.7%, while net loss improved 69% versus the same period in 2020. Notably, net earnings in Q4 2021 climbed 167.8% to US\$11.92 million compared with Q4 2020.

According to Brian McManus, Uni-Select's executive chairman and CEO, the quarterly results reflect the ongoing operational improvement and continued sequential recovery in the business. The \$1 billion company from Boucherville distributes automotive refinish, industrial coatings, and related products in North America.

Uni-Select is the leader in the automotive aftermarket parts business not only in Canada but also in the United Kingdom. McManus reveals the near-term focus is to align the core businesses with management's vision for the future. Uni-Select is positioning the business for the long term and will capitalize on the opportunities ahead.

Market analysts covering the stock see a return potential of at least 24.9%. The price could climb from \$22.96 to \$28.68 in 12 months.

Enormous returns in the near term

Westport Fuel Systems carries a buy rating from market analysts but continues to fly under the radar. The \$401.36 million company delivers alternative fuel systems for use in transportation applications globally. About 70 countries use the advanced clean fuel systems in passenger car & light trucks, buses, and heavy-duty trucks.

The full-year 2021 results aren't out yet but it's safe to say that the first nine months was a recovery period for Westport. In the nine months ended September 30, 2021, total revenue increased 36% to US\$229.8 million. Net income was US\$8.3 million, or a 173% turnaround from the US\$11.5 million net loss in the same period in 2020.

In Q3 2021, revenue growth versus Q3 2020 was 14%, although Westport incurred US\$5.8 million losses due to higher operating expenses, lower government wage-subsidy and support programs, plus lower foreign exchange gains. Still, it was encouraging because of the improving trend in the business.

Wall Street notes the increasing demand for electric vehicles. Westport should be on your watchlist because the Canadian company will play an important role in the global energy transition. Investors describe the stock as a manufacturing play at heart. The company will provide natural gas-powered trucks to **Amazon's** fleet.

Ride on the boom

Expect Westport Fuel Systems to rise from obscurity in 2022 because of the alternative fuel auto industry boom. As mentioned earlier, now is an excellent time to pick up this auto parts stock. The potential return in the near term could be enormous.

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