



## 2 Captivating Stocks Could Outperform the TSX in 2022

### Description

March 2022 is likely to be the TSX's best month in the first quarter of this year. As of this writing, the gain since February 28, 2022, is 4.03%. Seven of the 11 primary sectors are winning year to date, while the broader index hovers in record territory. Investors are happy with the display of resiliency amid the market risks and uncertainties.

Many stocks fly [under the radar](#), although two companies should captivate investors at the moment. **BRP** ([TSX:DOO](#))([NASDAQ:DOOO](#)) and **Lion Electric** ([TSX:LEV](#))(NYSE:LEV) are buying opportunities for [growth investors](#). Based on market analysts' price forecasts, the stocks could outperform the TSX this year.

### Recreational vehicles industry

BRP is known globally for its powersports vehicles, propulsion systems, and marine products like boats. The \$7.98 billion company from Valcourt has been in existence since 1937. In the modern world, BRP maintains its ingenuity and intensive consumer focus.

Management describes its business performance in fiscal 2022 (year ended January 31, 2022) as exceptional. For the full year, revenue and net income rose 28.47% and 118.96%, respectively, versus fiscal 2021. The \$7.64 billion annual was an all-time record in the company's history.

Jose Boisjoli, BRP president and CEO, said, "These results were driven by ongoing robust demand for our products and our team's ability to navigate through supply chain disruptions." For fiscal 2023, management maintains a positive business outlook.

Based on the company guidance, revenue growth from fiscal 2022 should be between 24% and 29%. BRP's net income estimate for the full fiscal 2023 is \$900 million to \$925 million. Besides the increase in production capacity in Q2 fiscal 2023, the company anticipate supply chain constraints to subside in the last three quarters.

On March 25, 2022, BRP announced the launching of a family of electric two-wheel motorcycles to

coincide with the 50th anniversary of the beloved Can-Am brand. According to Boisjoli, BRP sees an opportunity in the shift of the motorcycle industry to electric. Management also aims to reclaim its motorcycle heritage and re-enter the market.

Analysts covering the stock recommends a buy rating. Their 12-month average price target is \$136.29, a 40% potential climb from its current share price of \$97.32. The overall return to prospective investors should be slightly higher to include the modest 0.59% dividend.

## Leader in electric transportation

Lion Electric manufactures zero-emission vehicles and is [well positioned for massive growth](#). Today, it's the acknowledged leader in North America's electric transportation industry.

The \$2 billion company caters to clients in the school, paratransit, and mass transit market segments. Lion Electric creates, designs, and manufactures all-electric class commercial urban trucks (class five to eight) and all-electric buses as well as mini-buses. In 2021, total revenue increased 146.4% to US\$57.71 million versus 2020. The net loss reduced by 55.5% year over year to US\$43.32 million.

Marc Bedard, founder and CEO of Lion Electric, said the company has solidified its commanding leadership in all-electric school buses. The order book in both buses and trucks have likewise strengthened. Given the progress in 2021, market analysts forecast a return potential of at least 50.55% in 12 months. The EV stock trades at \$10.88 per share.

## Long growth runways

BRP and Lion Electric have long growth runways, as the world moves toward electric vehicles. The respective businesses should thrive and propel the stocks higher in 2022.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NASDAQ:DOOO (BRP Inc.)
2. OTC:LEVG.Q (Lion Electric)
3. TSX:DOO (BRP Inc.)
4. TSX:LEV (Lion Electric)

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