Huge Growth Potential for These 3 TSX Stocks

Description

Many of the energy and materials sectors' constituents are the top price performers in 2022. **Verde Agritech** (TSX:NPK), **Athabasca Oil** (TSX:ATH), and **Ensign Energy Services** (TSX:ESI) have year-to-date gains of more than 100% but still trade at relatively low prices.

Given the companies' favourable business outlooks and huge growth potential, their share prices should climb further. This month, include one or all in your buy lists for enormous returns in one year.

Best performer

As of this writing, Verde Agritech is the undisputed best performer among the top 100 stocks. At $9.71 per share, the trailing one-year price return and year-to-date gain are 683% and 247%, respectively. Had you invested $6,000 on year-end 2021, your money would be worth $20,807.14 today.

Also, Verde Agritech's total return in 3.01 years is 1,194.67% (134.08% CAGR) compared to **Shopify's** 36.98% (11.01% CAGR) within the same period. This $489.37 million agri-tech company produces multi-nutrient mineral fertilizers, particularly potash fertilizers.

Verde operates in Brazil, where potash demand is the second highest in the world. The company owns 100% of the mineral properties whose operations are fully integrated, beginning from mining until processing the main feedstock. Management expects Verde to be the country's largest potash producer by year-end 2022.

According to management, the potash industry is generally dependent on economic conditions and the agriculture sector. Adverse weather conditions, cost of inputs costs, and commodity prices, among others, affect the latter. In 2021, revenue and net profit jumped 202% and 540% versus the full-year 2020.

For 2022, the plans are to expand operational capacity, raise overall production capacity, and upgrade local infrastructure. Verde also launched the Bio Revolution last month. The new technology can incorporate microorganisms into its multi-nutrient potassium fertilizers.

Record free cash flow

Athabasca Oil's strategy focuses on developing thermal and light oil assets. The $1.37 billion energy company operates in Alberta's Western Canadian Sedimentary Basin. It boasts an extensive land base with high-quality resources.

Management said Athabasca is uniquely positioned as a low leveraged company. The low-decline, oil-weighted asset base that can generate significant free cash flow are competitive advantages.

In Q1 2022, free cash flow reached $43.83 million from a negative $16.59 million in Q1 2021. Because of the excellent exposure to commodity price upside and low-cost structures, Athabasca forecasts a free cash flow of $180 million in 2022. The energy stock is up 113.45% year to date and trades at $2.54 per share.

Premium services

Ensign Energy Services is one of the world's top land-based drilling and well-servicing contractors. This $709.63 million oilfield services company caters to crude oil, natural gas, and geothermal operators in Canada, the U.S., and other international markets.

Despite the wider net loss (-101%) and lower adjusted EBITDA (-12%) in 2021 compared to 2020, current investors enjoy a 150% year-to-date gain.

Market analysts are bullish because of the company's premium services, which include contract drilling, directional drilling, and rental equipment, among others. Their 12-month high price target is $6.00, or a 43% climb from $4.20.

Growth will not stall

Lately, the TSX has been erratic due to supply chain disruptions, rising inflation, and geopolitical tensions. However, the headwinds will not materially impact the growth potentials of Verde Agritech, Athabasca Oil, and Ensign Energy.

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