



## 2 Stocks That Lost Over 50% in 2022

### Description

The **S&P/TSX Composite Index** lost steam mid-week, losing 1.32% (253.25 points), following the 5.35% plunge of the energy sector. Only 9% of Index's total stocks remained unchanged, while 64%, or 1,245 stocks, declined. Shares fell anew due to rising recession fears from aggressive rate hikes.

Because of the heightened volatility today, some market analysts describe 2022 as a weird period for stocks. For example, the TSX posted several new highs in March and April this year only to give up the gains in May. This month hasn't been pleasant, though it's been unpredictable, given the alternating spikes and dips.

Perennial TSX30 winner (2019 to 2021) **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) and growth-oriented **Lion Electric Company** ([TSX:LEV](#))(NYSE:LEV) are deep in the red. The pair has lost by a whopping 50% or more in 2022.

### Slowing revenue growth

Shopify's free fall started on February 16, 2022, when the e-commerce platform announced subdued growth this year. In Q1 2022, the 21% revenue growth was too the lowest quarterly revenue growth since its IPO in 2015. The revenue growth in Q1 2021 versus Q1 2020 was an eye-popping 110%.

Moreover, the \$55.33 billion company posted a net loss of \$1.5 billion versus the \$1.3 billion net income in the same quarter last year. Shopify's CFO Amy Shapiro said, "We're operating in a more measured macro environment relative to 2021 moderated by inflation."

She added, however, "The prospects for entrepreneurship and digital commerce are greater now than at any point in our history after two transformational years for the industry, and for Shopify." Unfortunately, the once high-and-mighty tech superstar continues to struggle. At \$438.64, the stock is down 74.82% year to date. The 52-week high is \$2,228.73.

## Accelerating EV demand

Lion Electric, an innovative manufacturer of zero-emission vehicles, is a promising growth stock because of the accelerating demand for electric vehicles (EVs). The \$1.08 billion company from Saint-Jérôme, Canada designs and manufactures all-electric class five to class eight commercial urban trucks and all-electric buses and minibuses. Its target customers are in the school, paratransit, and mass transit segments.

The share price of \$5.70 is 73.6% lower since the company went public on May 7, 2021. On a year-to-date basis, Lion Electric investors are losing by 54.4%. Sadly, the stock's performance doesn't reflect the strong start to 2022. In the three months ended March 31, 2022, revenue increased 263.8% to US\$22.64 million versus Q1 2021.

Lion Electric's net income reached US\$2.1 million compared to the US\$16.11 million net loss from a year ago. The operating loss, however, ballooned 38.6% year over year to US\$17.26 million. Nonetheless, management was pleased with the quarter's performance.

Marc Bedard, Lion's CEO and founder, said, "Despite the ongoing challenges in the supply chain environment, we continued to experience improvements and achieved a record number of quarterly vehicle deliveries." He expects the cadence of production and deliveries to improve gradually over the rest of the coming year.

Bedard added, "We are excited to see that the movement towards electrification of transports continues to gain strong momentum." He noted the unprecedented government funding packages announcements recently in Canada and the United States.

## Contrasting outlooks

Shopify might find it hard to regain lost ground as brick-and-mortar bounces back in post-pandemic. For Lion Electric, analysts believe the company has a bright future and could start generating positive profits after it breaks even.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

1. NYSE:SHOP (Shopify Inc.)
2. OTC:LEVG.Q (Lion Electric)
3. TSX:LEV (Lion Electric)
4. TSX:SHOP (Shopify Inc.)

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