



1 Canadian Stock Set to Double in 2022

Description

Nervous investors have been eying up the commodity market for a while now. It's clear why; you can find a strong Canadian stock that could give you soaring returns over the decades. What's more, these companies provide defence during [volatile](#) periods.

But because of this, it's hard to find a Canadian stock that still offers value. Yet today, that's exactly what I'm offering. So, let's get right to it.

Thirsty?

If there's one thing we all need, no matter what, it's water. And yet [water stocks](#) remain few and far between both on the **TSX** and elsewhere. While there are infrastructure companies that can provide water, the actual filtration and sale of water is another thing entirely.

This is why investors may find a Canadian stock in this industry that could double in 2022. Other investors simply aren't looking at it, with more attention given to energy, crop nutrients, and mining. Yet water provides a huge opportunity in this world filled with drought, floods, and more water-related issues.

A Primo choice

Primo Water ([TSX:PRMW](#))([NYSE:PRMW](#)) is a strong option then for those wanting exposure to this industry. The \$2.96 billion company checks all the boxes for a Canadian stock in the commodity sector. It offers a 1.98% dividend yield and is cheap trading at 1.77 times book value. Shares are still down by 16% year to date, but have climbed 11.4% in the last month, providing a great time to jump in.

Plus, Primo stock has been acquiring businesses left, right, and centre, providing new sales opportunities across North America. This includes its Flow Beverage, which has seen incredible growth in popularity.

In fact, Primo stock is doing so well, the Canadian stock recently increased its guidance. After seeing revenue rise 9% year over year to \$571 million, and adjusted earnings before interest, taxes, depreciation, and amortization (EBITDA) up 9%, it increased its 2002 revenue growth to between 12% and 14%. Full-year adjusted EBITDA could reach between \$415 million and \$425 million as well.

A stock that could double

Over the next year, Primo stock could double. More and more interest is going towards commodity companies, and that includes water stocks. That is why now is a great time to pick up the Canadian stock.

What's great about it is that's it's *not* new. The company has grown both organically and through acquisitions for years. Shares are up 172% in the last decade, though have come down since rising about 260% between 2012 and November 2021. Shares are now down 28% from its 52-week highs. With the recovery that's underway, shares should at least come up to that number, if not blow it out of the water completely. A share price of \$36 honestly wouldn't be unheard of and would double today's share price for the Canadian stock.

Bottom line

There are few opportunities out there that lead to such unparalleled growth as the water sector. Finding the right Canadian stock could set you up for decades' worth of returns. And, frankly, Primo stock doesn't have much competition. So, now is the time to lock in this company while you still can and see it potentially double in the next year or so.

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