



## 3 of the Most Beaten-Down Stocks in 2022: Are They Buys Now?

### Description

In 2022, it was a healthy, uplifting year for some segments of the TSX. It was simply brutal for others, though some of the most aggressively beaten-down stocks carried that pattern over from the previous years. The question is, will 2023 be the year of their redemption? Because if it is, you can see exceptional returns by buying them now at their discounted prices.

Picking up good companies when they are aggressively discounted and fundamentally undervalued is one of the most time tested and proven [investing strategies](#), but it only works with the right picks at the right time.

### A crypto stock

2022 wasn't a good year for crypto in general. **Bitcoin** fell by well over 60% and **Ethereum** experienced a similar fall. This naturally spilled over to crypto-related businesses, especially exchanges and miners like **Hut 8 Mining** ([TSX:HUT](#)). The stock lost over 85% of its market value in 2022.

But 2023 has brought some life back into the stock. It rose over 27% in just 10 days in the new year, and considering the pattern of the underlying asset (Bitcoin), the stock may continue to go upward, riding the bullish momentum of the crypto industry.

Bitcoin mining has been the core of the business for quite some time, but with eight data centres at its disposal, the company is diversifying its business model and has already started to focus on Web 3.0.

### A healthcare stock

The healthcare sector in Canada is highly saturated by marijuana companies, which has been going downhill for quite some time. But even outside this beaten-down industry, there are plenty of brutalized healthcare stocks like **Bausch Health Companies** ([TSX:BHC](#)). Ironically, Bausch was *the* most valuable company in Canada in 2015.

The decline from that peak has been quite astonishing, and it still continues to this day. It has lost almost 70% of its valuation in the last 12 months alone. Among the things weighing down the company is its massive debt, which is currently exactly eight times larger than its market value. The good news is that the revenues are disproportionate to the market cap as well and are relatively steady.

## A cannabis stock

Cannabis stocks in Canada have been prominent members of the “perpetually beaten down” club for some time now. **Aurora Cannabis** ([TSX:ACB](#)) stands out, even from that select group, especially if you consider the performance of [cannabis stocks](#) in 2022. However, the problems for this stock stem from more than the underlying company’s own issues.

The marijuana industry in Canada is still trying to gain a strong footing against a thriving black market. But even the second phase of legalization, which included edibles and drinks, hasn’t been able to give it the necessary boost yet. There is another catalyst brewing on the other side of the border, and if the U.S. federal government legalizes marijuana, it may give cannabis producers a boost as well.

Aurora Cannabis stock fell over 83.9% in the last 12 months alone, and the price is currently \$1.1 per share. Even if it never reaches the peak price (+\$160), it can still offer exceptional returns by just hitting a double-digit price tag.

## Foolish takeaway

All three stocks are currently in their sad state for different reasons, and it’s difficult to predict when they will recover (*if they do*). But if that “when” is somewhere in 2023, you may consider buying them before the turning point. The massive slumps they have experienced may result in proportionally massive returns.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

1. TSX:ACB (Aurora Cannabis)
2. TSX:BHC (Bausch Health Companies Inc.)
3. TSX:HUT (Hut 8 Mining)

### PARTNER-FEEDS

1. Business Insider

2. Flipboard
3. Koyfin
4. Msn
5. Newscred
6. Quote Media
7. Sharewise
8. Smart News
9. Yahoo CA

## PP NOTIFY USER

1. adamothonman
2. kduncombe

## Category

1. Investing
2. Tech Stocks

## Date

2025/06/28

## Date Created

2023/01/11

## Author

adamothonman

default watermark

default watermark