



Why Ballard Power Systems Inc. Shares Slumped Today

Description

Although we don't believe in timing the market or panicking over market movements, we do like to keep an eye on big changes — just in case they're material to our investing thesis.

What: Shares of Canadian fuel cell company **Ballard Power Systems Inc.** (TSX: BLD)([Nasdaq: BLDP](#)) plunged 10% today after its quarterly results and outlook disappointed Bay Street.

So what: The stock has soared over the past year on rapidly rising fuel-cell adoption, but today's Q1 revenue miss — top-line increased 13% to \$14 million vs. the consensus of \$15.3 million — coupled with in-line guidance is forcing analysts to scale back their expectations a bit. While Ballard's net loss narrowed to \$3.8 million from \$7.9 million in the year-ago period, it doesn't seem to be improving fast enough in Mr. Market's eyes to justify the recent price surge.

Now what: Management reaffirmed its full-year guidance for break-even adjusted EBITDA on revenue growth of about 30%. "Our Q1 results reflect continued improvement in key metrics, consistent with our business outlook and full-year guidance for 2014," President and CEO John Sheridan said. "Also, after the quarter we were pleased to close a strategic transaction with **United Technologies Corporation**, giving Ballard a commanding industry position in fuel cell intellectual property and strengthening our ability to grow shareholder value."

More important, with the stock now off about 55% from its 52-week highs, Mr. Market might finally be offering enterprising Fools a decent chance to buy into those growth prospects.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NASDAQ:BLDP (Ballard Power Systems Inc.)

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Author

bpacampara

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