

## Think Electric and Self-Driving Vehicles Are the Future? This Stock Is for You!

### Description

Although electric vehicles and self-driving technologies aren't expected to be in the mainstream anytime soon, many companies are already placing big bets on those developments. **BlackBerry Ltd.** ([TSX:BB](#))([NYSE:BB](#)), for example, is working to leverage its expertise in software and cybersecurity in order to make itself the trusted brand for manufacturers looking for an operating system to integrate with their driver-less systems.

Another company that is heavily involved in these advancements is **Magna International Inc.** ([TSX:MG](#))([NYSE:MGA](#)). The company's CEO, Donald Walker, is very bullish on electric cars and the advancements that are taking over the industry.

Walker recently stated, "At a time when there is unprecedented change happening in the industry, we believe Magna is uniquely positioned to capitalize on the key trends, which include taking weight out of the vehicle, electrification, autonomy and new mobility solutions for the future."

Magna is playing the long game, as driver-less technologies and electric vehicles are going to take a long time to become commonplace in the industry.

### Electric vehicles are still years away from significant market share

Magna expects that even in 2030, electric vehicles will only make up 13% of the global market. The transition to electric vehicles will be slow, but many companies like Magna are relying on long-term growth to pay off in the end.

### Self-driving is another key area for future growth

Walker also stated, "As with electrification, we're increasing our investment in autonomy." While automation is certainly making progress, Magna expects developments to take a long time.

Autonomous driving is ranked from a level of zero to five, with five being the highest level of autonomy. Magna's MAX4 system is currently able to reach level four, requiring just navigational input. Most vehicles with autonomous driving are only at levels one and two and require active monitoring.

Although Magna has already reached level four, the company expects that only 1% of vehicles will be able to achieve full autonomy by 2025, and that number will probably climb to just 7% in 2030, at which point level four will be available in nearly a quarter of all vehicles on the road.

### Magna expects a big year in 2018

The company may be looking many years ahead, but it isn't neglecting the present. Magna projects its profits to fall between \$2.3 billion to \$2.5 billion in 2018, which would be a sizeable increase from the \$2 billion in net income that the company recorded in 2016. Profits for the trailing 12 months came in at just over \$2.1 billion.

### Is the stock a good buy?

In the past year, Magna's stock has risen 24%; over five years it has generated returns of 175%. While the company offers a small dividend of less than 2%, the [growth potential](#) is what should have investors excited about the stock.

Magna is investing a lot in emerging technologies that will reshape the industry, and the company will be well positioned to take full advantage when electric and self-driving vehicles become more commonplace on our roads. The company is a good buy and provides investors with [many great reasons](#) to invest.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. NYSE:BB (BlackBerry)
2. NYSE:MGA (Magna International Inc.)
3. TSX:BB (BlackBerry)
4. TSX:MG (Magna International Inc.)

### PARTNER-FEEDS

1. Msn
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### Date

2025/08/16

### Date Created

2018/01/20

### Author

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