



Here's a Concept Stock With Explosive Growth in its Future

Description

Similar to [cannabis stocks](#), **Ballard Power Systems** ([TSX:BLDP](#))([NASDAQ:BLDP](#)) is trading not on current results but on hopes and optimism for the future.

The dissimilarities are notable as well.

While cannabis companies are achieving soaring rates of revenue growth, Ballard reported, in its latest quarter, revenue declines once again.

And while cannabis stocks are trading at price-to-sales multiples of almost 100 times for the top three Canadian names, Ballard Power is trading at a mere fraction of this: a price-to-sales multiple of 7.9 times.

So, what does Ballard do?

For those investors that have been investing for more than 20 years, Ballard Power is not a name that brings back warm memories.

After soaring to heights of \$189 back in 2000 in the heights of a [market bubble](#), Ballard stock notoriously crashed and burned, remaining out of the public eye for the longest time after that.

Yes ... \$189.

It's hard to believe, I know, for a concept stock that was just beginning its journey to create fuel cell engines to replace internal combustion engines designed to run on gasoline, effectively creating a source of power that would be significantly cleaner and more environmentally friendly.

But now trading at below \$5 a share, Ballard Power stock is on the cusp of breaking out, as its business continues to gather momentum and steam.

Project JIVE, which stands for Joint Initiative for Hydrogen Vehicles Across Europe, was launched in 2017, and its goal is to "advance the commercialization of hydrogen fuel cell buses through large scale

deployment of vehicle and infrastructure.”

The de-carbonization process of public transport is clearly a key initiative.

So, we have the right political environment and the right results from real world application of Ballard’s fuel cell performance in different transport vehicles, such as buses, automobiles, and even boats.

Ballard’s results have been fraught with more financial letdowns, and the most recent quarter (Q1 2019) was no different. But at least the company still has ample cash reserves, with a balance of \$165 million as at the end of the quarter, so financial flexibility is still there.

According to Ballard’s CEO Randy MacEwen, the company is “seeing early signs of internal combustion engine disruption in heavy and medium duty motive applications, including in bus, commercial truck, rail, and marine. We expect fuel cell electric vehicles to offer a compelling zero-emission value proposition.”

The company is seeing growing interest in its “key geographic markets of China, Europe, and California.”

Bottom line

The bottom line is that this stock has little investor interest, so valuation is nowhere near lofty. On the contrary, it is pricing in little good news.

This — along with the headway that Ballard’s fuel cells have been making — makes the stock a solid long-term buy to stick into your portfolio and forget about as it works on transforming the world of transportation.

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Date

2025/07/23

Date Created

2019/05/03

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