



Why I'm Buying This Stock That Is Poised for Explosive Growth

Description

In the next decade or so, we will witness a revolution — one that will result in internal combustion engines designed to run on gasoline being replaced with environmentally friendly engines that are fueled by electric power.

In fact, we're already seeing the early stages of this revolution. While we don't know where it will lead us specifically, we can make educated guesses as to the direction.

Within this framework, fuel cell engines are quickly rising in popularity. These fuel cell engines generate their electricity from hydrogen, the most abundant element in the universe.

This light, colourless, odourless, tasteless and non-toxic gas is a clean alternative to the battery-powered cars, as their top-notch performance stands ahead of electric motors.

With offices in Canada, Europe, the U.S., and China, **Ballard Power Systems Inc.** ([TSX:BLDP](#))([NASDAQ:BLDP](#)) is a global leader in fuel cell technology. The company is experiencing unprecedented interest from governments aiming to reduce emissions, automotive companies such as Hyundai, Honda, and Toyota, bus makers such as New Flyer Industries, railways, and pretty much all moving vehicle industries.

All of this has translated into a growing backlog of over \$210 million as of the latest quarter, which represents 12% growth from the prior quarter. It has also translated into very attractive stock price performance. Ballard stock has a year-to-date return of over 62% and a three-year return of over 130%.

The world is on a mission, and fuel cells fit nicely with this mission.

Costs coming down

One of the reasons that fuel cells have been gaining in popularity is that costs have come down big in the last decade. Along with the fuel cell cars' long range, fast fill-ups, zero emissions, and an overall cleaner drive, we can easily understand the heavy investment in fuel cells.

For example, Ballard is working with the Hydrogen Bus Consortium in Europe to deploy 1,000 fuel cell electric buses plus the related infrastructure by 2023. These buses are expected to be the most cost-effective zero-emissions buses anywhere at a cost of 375,000 Euros for a single-decker bus.

Fuel cells powering more and more vehicles

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.

Ballard continues to make progress in supplying buses around the world with fuel cell modules, from Europe to China to Vancouver to California. The demand is there, and the performance of these buses support the demand.

Eventually, a ramp-up in fuel cells in the automotive industry appears likely to take hold, and with some of the big auto manufacturers embracing this technology, the rise of fuel cell cars seems to be a very likely scenario.

The Toyota Mirai, Honda Clarity, Hyundai Nexo, and Mercedes GLC F-Cell are some of the most popular fuel cell electric cars today.

Foolish final thoughts

Ballard stock is not the type of stock that offers the visibility and security of a well-defined business or industry. Rather, it's a stock that's subject to the many uncertainties and risks of being a [disruptor in an industry with the potential for huge growth](#). Thus, it's one that I have tucked away in my portfolio — one I'm comfortable holding for the long haul as this revolution takes hold.

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