



## 2 Reasons Why 2020 Will Be This Canadian Fuel Cell Company's Year to Shine

### Description

Fuel cells are gaining traction on many fronts, including performance, costs, and acceptance, building momentum that's seeing fuel cells embraced in a variety of applications, such as buses, trains, and even passenger cars.

This momentum has been a long time coming, as **Ballard Power Systems Inc.** (TSX:BLDP)([NASDAQ:BLDP](#)) can certainly attest, but big disruptions don't happen overnight and are usually a long process.

Ballard didn't give up, however, and today they're on the cusp of something big. We can see this being reflected in Ballard's stock price, which has soared 175% in the last three years and 120% in the last year alone. We can also see this in the company's progress and expectations for a strong 2020.

Here are two reasons why 2020 will be Ballard's year to really shine.

### Weichai-Ballard partnership brings big rewards

In 2018, Ballard entered into a joint venture with Weichai, a leading automotive and equipment manufacturer specializing in the production of powertrains, automotive, intelligent logistics, automotive parts and components.

This joint venture will see a multi-year technology transfer program for the exclusive rights to manufacture Ballard's next generation fuel cell stack and modules for bus, commercial truck, and forklift markets in China.

This deal doesn't limit Ballard in the Chinese automotive markets or any international markets. Rather, it solidifies Ballard as a force to be reckoned with in fuel cells, legitimizes and validates Ballard's fuel cell technology and helps the company gain more and more credibility and scale. [A growing presence in the huge Chinese market](#) is one of Ballard's key strengths.

A recently announced \$44 million purchase order related to the joint venture, of which 30% will be

booked in the fourth quarter; the remaining in the first half of 2020 serves to highlight this fuel cell revolution.

2020 is a big year for the Weichai joint venture, and we'll see a big ramp in revenue from it. Along with providing a boost to revenue to 2020, this will drive down costs that will translate internationally.

## Fuel cell interest is booming

The interest in fuel cells is booming and is significantly higher today than it was even one year ago. [The global trend toward clean energy and the global search for clean energy solutions continues to accelerate.](#)

Ballard's next generation products, which feature "significant improvements in performance and cost," have tested positively in Ballard's initial product performance testing.

Management expects strong growth in 2020 and beyond. Growth that the company has prepared for by increasing its plant capacity at its Vancouver plant, with its membrane electrode assembly capacity increasing fourfold to five million units by the end of the year.

This increase in scale will drive costs down, thereby increasing the bottom line accordingly. Management is not giving much guidance, but we can see that the variables are moving in the right direction.

Growing market interest is being seen in industries like the mining industry; a recent order from Anglo-American plc is but one example of this, as the company is aiming to test out a fuel cell powered truck at one of its mines in Africa. In China, fuel cell powering stations are being built, with fuel cell infrastructure rollout expected to be a priority in this country.

There are many more examples of this growing interest and momentum. Many parts of Europe continue to power forward on their plan to power buses via fuel cells, and implementation is barreling forward.

Ballard is at the forefront of this disruption.

## Foolish bottom line

Ballard Power Systems continues to make strategic progress in the fuel cell industry — one that's quickly gaining momentum worldwide in a variety of industries such as passenger cars, trucks, marine and rail.

Ballard Power has made great progress in establishing itself as a leader, and we can therefore expect Ballard stock price to rally in 2020 and beyond.

### CATEGORY

1. Energy Stocks
2. Investing

## TICKERS GLOBAL

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

## PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

## Category

1. Energy Stocks
2. Investing

## Date

2025/07/23

## Date Created

2019/11/01

## Author

karenjennifer

default watermark

default watermark