



Green Energy Stocks Could Boom in 2021

Description

While investors are still preoccupied by Bitcoin and e-commerce, green energy stocks could be the [ultimate outperformers in 2021](#). A confluence of factors should unleash plenty of capital in this sector. Investors who get in early could benefit from this.

Here's a closer look at why green energy stocks could surge higher in 2021 and two renewable stocks that should be on your radar.

Green energy boom

Three of the biggest economies in the world are likely to implement stringent environmental protection policies in 2021. Europe and China are already leading the way. 10 European Union member states plan to phase out fossil fuel vehicles by 2030. By the same year, China is on track to produce one-fifth of its electricity from renewable sources.

The incoming Biden administration could implement similar policies, which renders the world's three largest superpowers aligned on a common goal. The transition to green energy in these three regions alone could be worth trillions of dollars.

Top stock

If you're looking to bet on this trillion-dollar transition, **Xebec Adsorption** (TSXV:XBC) should be on your radar.

A 300% plus rally in 2020 affirms strengthening investor confidence about Xebec Adsorption's long term prospects and growth metrics. As a global provider of clean energy solutions, the Blainville- the based company remains well-positioned to benefit as focus worldwide shifts to clean energy solutions.

The company continues to fire on all angles amid the disruptions triggered by COVID-19. A robust revenue growth trajectory signals resilience in Xebec's core business. Similarly, the company has set sights on acquisitions and strategic partnerships that safeguard its competitive edge and long-term prospects.

As governments worldwide consider how to transition to a low carbon future, tremendous opportunities should crop up of which Xebec is well positioned to take advantage of. The clean energy solutions provider is fresh from strengthening its strategic partnership with Shanghai-based Shenergy Group Company Limited.

The strengthened partnership will result in the injection of \$3.4 million into the Sino-Joint venture. Similarly, the partnership paves the way for Xebec to strategically position itself in the burgeoning Chinese hydrogen fuel market.

In addition to pursuing growth opportunities in China, Xebec has inked a deal to acquire Netherland based HyGear, a specialist in onsite hydrogen generation. The acquisition should bolster the company's technology and product portfolio to execute the overall renewable gas vision and support the launch of the global hydrogen strategy.

Xebec fundamentals

Xebec revenue streams are strengthening by the day thanks to an increase in clean tech contracts. In the third quarter, revenues were up 39% to \$18.4 million. Revenue growth should continue as the company expands into new markets.

At current valuation levels, Xebec is a solid buy given the trajectory of revenue growth supported by expansion into new markets such as China and Europe, with tremendous growth opportunities. While the company does not pay any dividend, it trades at a forward P/E of 72.

Keep an eye on this one.

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