



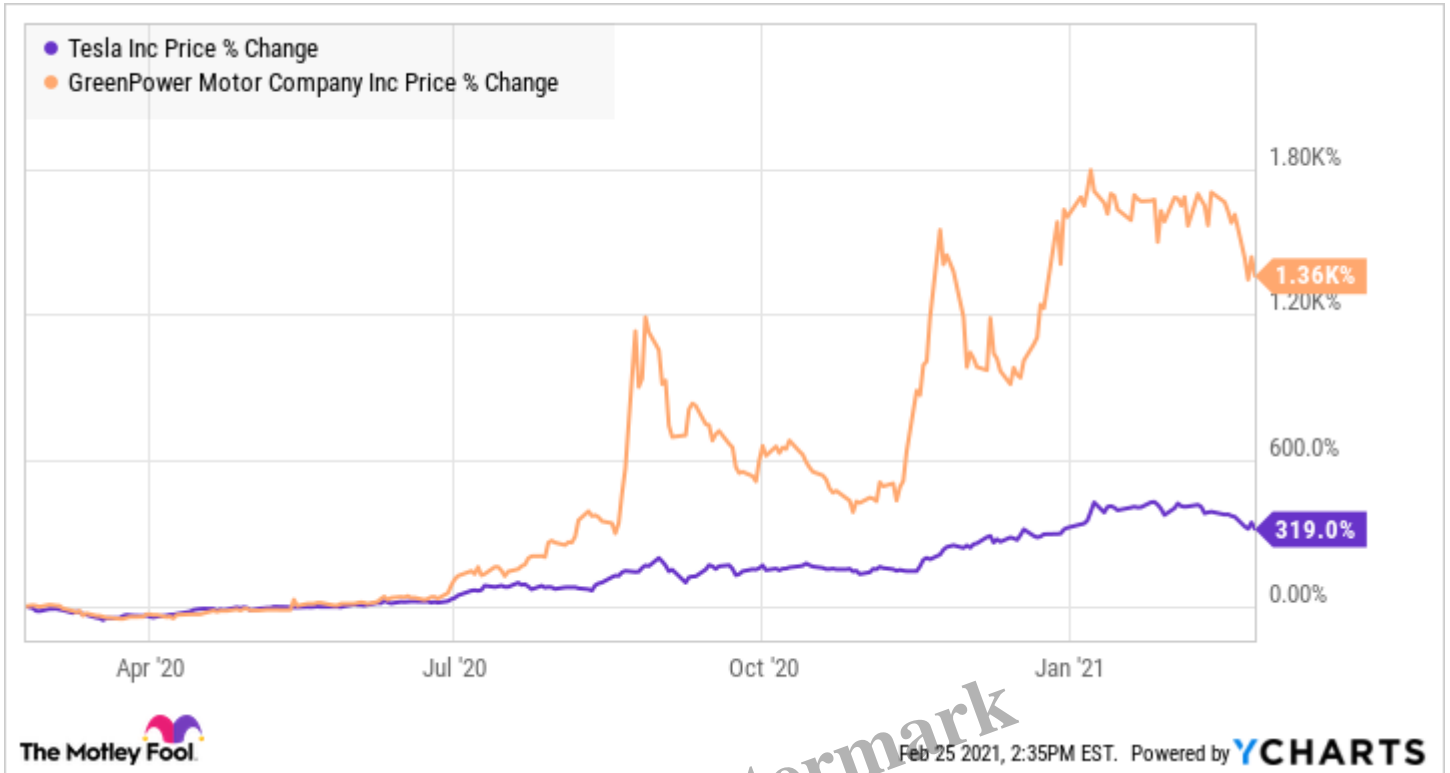
Like Tesla Stock? Then Buy This Canadian EV Stock on the Dip!

Description

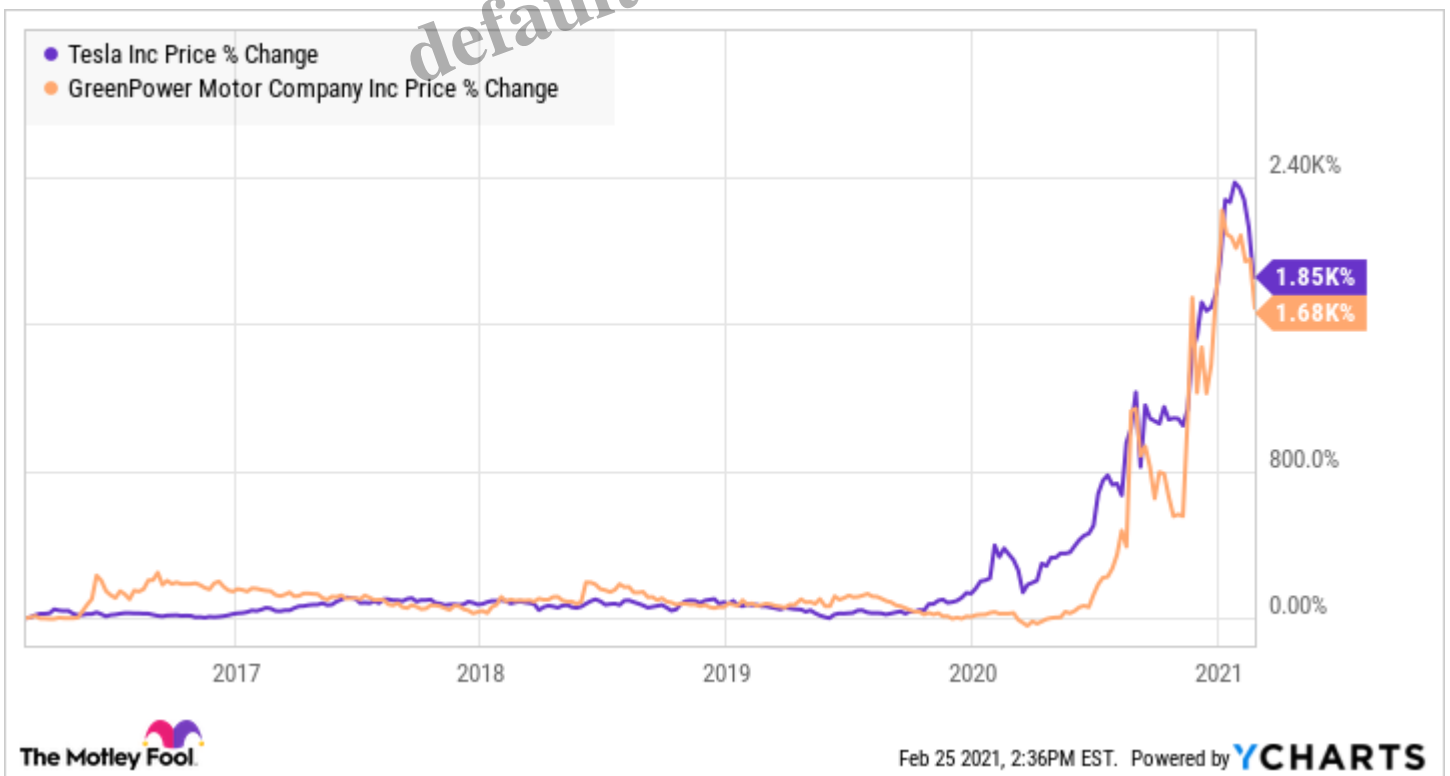
Tesla ([NASDAQ:TSLA](#)) has been [an incredible growth stock](#). Over only five years, it was a 19-bagger, turning a \$10,000 investment into more than \$195,000. Even with the recent +20% correction, the stock is still up about 300% over the last 12 months.

If you like Tesla stock, you should also check out **GreenPower Motor** ([TSXV:GPV](#))([NASDAQ:GP](#)). This EV stock has been on par with Tesla's returns and, in fact, outperformed Tesla in the past year. GPV's market cap is only about \$650 million, which is a fraction of Tesla's US\$655 billion market cap.

For your convenience, I've included the one-year and five-year price appreciation comparisons of the two EV stocks below.



Data by YCharts. A chart showing GreenPower Motor stock beating Tesla stock in the past year.



Data by YCharts. A chart comparing the performance of GreenPower Motor stock and Tesla stock over the past five years.

The EV stock

GreenPower Motor is a Vancouver-based company that was founded in 2010. It designs, engineers, and manufactures battery-electric, zero-emission buses and trucks from the ground up to make them durable and affordable for its customers.

Importantly, its vehicles are both Federal Transit Administration (FTA) Altoona certified and Buy America compliant. These provide access to federal incentives that makes its vehicles a top choice for buyers. Specifically, the FTA will subsidize as much as 80% of the purchase price for these green vehicles.

GreenPower Motor's customer base includes the local cargo and delivery market, transit, shuttle, and school sectors.

Recent results

In the last fiscal year that ended March 31, 2020, GreenPower Motor completed and delivered 68 buses, generating revenue of US\$13.5 million with a gross profit margin of 30%.

This fiscal year, the small-cap stock's revenue could see a big drop due to sluggish demand from the pandemic. In the last 12 months, GreenPower Motor reported a 47% decline in its revenue to about \$10 million.

Thankfully, its balance sheet is strong. Thanks primarily to getting uplisted to the **NASDAQ**, GreenPower Motor was able to raise its cash and equivalents to \$27 million. It also has a rock-solid current ratio of 16.8 times.

Growth for the EV stock

The trend towards zero emissions is a key driver for demand in GreenPower Motor's EV vehicles. Large amounts of investments aren't needed to expand capacity, because the company's current production capacity can fulfill that demand.

Research organization BloombergNEF projected sales growth of battery-electric medium and heavy duty commercial vehicles (the market that GreenPower Motor is in) in the United States to be 99% per year through 2025, 64% per year through 2030, and 37% per year through 2040.

The projections suggest that GreenPower Motor will experience the highest growth through 2025. So, an appropriate allocation to the high-growth stock could drive incredible upside for a diversified investment portfolio. Just watch out for a valuation contraction post-2030.

The Foolish takeaway

Both [Tesla and GreenPower Motor](#) stocks could be great buys now on the current correction for

investors seeking high growth. Be ready for a wild ride, though.

If you think Tesla stock is volatile, GreenPower Motor stock will be an even more exciting ride. In the second chart above, you'll notice that GreenPower stock tends to fall harder than TSLA stock during corrections.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:TSLA (Tesla Inc.)
2. TSXV:GPV (GreenPower Motor Company Inc.)

PARTNER-FEEDS

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Date

2025/08/15

Date Created

2021/02/26

Author

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