



## Apple (NASDAQ:AAPL) Car: This Canadian Company Could Build it

### Description

Despite rumours suggesting the program was shut down, credible experts believe **Apple** ([NASDAQ:AAPL](#)) is certainly working on a so-called Apple Car. In fact, the fabled electric vehicle could be available as soon as 2025. This would certainly boost Apple's addressable market by another trillion dollars but will also create a windfall for a Canadian auto parts supplier and contract manufacturer.

Here's why **Magna International** ([TSX:MG](#))([NYSE:MGA](#)) is a likely Apple Car supply partner. The stock could offer you exposure to this blockbuster product before it's even released.

### Apple Car

Ming-Chi Kuo, an analyst at TF International Securities, uses his Asian supply chain contacts to decipher what Apple is up to. He's been extremely reliable on making predictions about Apple's product roadmaps. His latest prediction is that Apple is likely to release augmented reality glasses by 2025. By 2027, the company could unveil an Apple Car.

Apple's entry into this space seems inevitable. The declining costs of batteries is likely to magnify the margins of selling consumer vehicles. Apple also has the capital and brand awareness needed to make a mass-market car successful.

A potential future car could be manufactured by contractors, the way the iPhone and Apple Watches are. Analysts believe the most likely contractor manufacturer could be Aurora, Ontario-based Magna International.

### Magna stock

Magna is already one of the largest contract manufacturers and auto part suppliers in the world. Over 58 car brands, from **Toyota** to **Volkswagen**, rely on the company to create their products. In fact, the company is also a [key supplier to Tesla](#).

This week, Magna's chief executive officer Swamy Kotagiri said the company was willing to build the Apple Car. The team is also keen to add a manufacturing plant in North America if contracts warrant

the investment.

Over the past few years, Magna has partnered with its biggest clients to develop proprietary self-driving and electric drivetrain technology. This makes it a low-risk bet on the future of transportation tech.

Magna's robust supply chain and decades of experience in this field could make it the ideal partner for Apple if or when it decides to roll out a four-wheeler. Meanwhile, the stock hasn't priced in this potential at all.

Magna stock is currently trading at a price-to-sales ratio of 1.03 and a price-to-free cash flow ratio of 16.8. Magna stock also offers a 2% dividend yield. That's a nice cherry on top of what could be a stellar growth story.

## Bottom line

A future Apple Car is starting to look more likely. While Apple could pull the plug on this project, if it launches a car, it'll need to find a manufacturing partner. Canadian auto parts giant Magna is already looking like the ideal candidate. The company is a key supplier to over 58 global car makers. The team has been keen on working with Apple on this project.

This partnership could unlock value in Magna stock, which is currently underpriced. Magna trades like a deep-value stock, which could change when investors recognize the growth potential.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:MGA (Magna International Inc.)
2. TSX:MG (Magna International Inc.)

### PARTNER-FEEDS

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