



1 Canadian Electric Carmaker Could Outperform Tesla (NASDAQ:TSLA)

Description

The transition to a cleaner, prosperous economy is the immediate priority of Canada's Strengthened Climate Plan. With the support and engagement from all parts of society, including businesses, the federal government hopes to move to net-zero emissions by 2050.

Lion Electric's ([TSX:LEV](#))(NYSE:LEV) [market debut](#) in May 2021 on the U.S. and Canada stock exchanges is very timely. The \$4.34 billion company from Saint-Jérôme, Québec, designs and manufacture zero-emission vehicles. [Growth investors](#) could be looking at the future king of the electric jungle.

A big step forward

The industrial stock began trading on the TSX on May 10, 2021. Marc Bédard, CEO and founder of Lion Electric, said on the first day of trading, "Today marks a big step forward in the evolution of Lion, as we accelerate our growth strategy." He added, "The company will continue selling all-electric medium and heavy-duty urban vehicles on the cutting edge of technology while developing new ones."

Before its market debut, Lion Electric forged a business combination with **Northern Genesis Acquisition**, a special purpose acquisition company (SPAC). Bédard also thanked the SPAC for supporting Lion's mission to be the industry leader. The two entities share the vision of improving society, the environment. and the quality of life all around, most importantly.

The innovative manufacturer of zero-emission vehicles now has a strong group of shareholders. The combined companies are excited by electric vehicles, the business model, and continued growth opportunities. The public listing also signals Lion Electric's embarking on its next stage of life.

The core business

Lion Electric is known in North America as a leader in electric transportation. It creates, designs, and manufactures all-electric class five to class eight commercial urban trucks and all-electric buses and

mini-buses. The target markets are schools, paratransit, and mass transit segments.

The company likewise designs, builds, and assembles all vehicle components, such as chassis, battery packs, truck cabins, and bus bodies. Besides the vehicles' unique features specifically adapted to users' needs, Lion seeks new and reliable technologies.

Increasing revenue and growing vehicle orders

Lion Electric has adequate capital support to support its long strategy following the successful listing on two major stock exchanges. The company reported positive performance in Q1 2021 (quarter ended March 31, 2021) versus Q1 2020, notwithstanding the continued impact of the global pandemic on the operations side.

Total revenue increased 416.7% to US\$6.2 million, while sales volume grew by 1,100% from two units to 24 units (22 vehicles in Canada and two in the U.S.). As of May 14, 2021, there are orders of 817 all-electric medium- and heavy-duty urban vehicles (608 buses and 209 trucks) worth over US\$225 million.

Lion Electric obtained initial truck orders from the Pride Group, Ikea's logistics partners, and Sobeys, among others. These clients are sizable fleet owners. The company also delivered 10 Lion6 trucks (the first batch) to **Amazon** after the first quarter.

High level of customer satisfaction

Growth investors should note Lion Electric's revenue growth and improving order book. President Bédard believes it reflects clients' high level of satisfaction with the company's products and services. As of May 24, 2021, the share price is \$23.03 — or 9.3% higher than its closing price on the first day of trading.

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