



Forget Tesla: 2 Top Canadian EV Plays to Buy Right Now

Description

Electric vehicle (EV) adoption is on the rise. Indeed, as the world shifts toward consumption of environmentally friendly goods, expectations are that this shift could be a structural one spanning the coming decades. For EV plays, and in particular EV auto makers, this is a good thing.

However, many EV brands don't actually produce their vehicles, or their charging stations. In this article, I'm going to discuss why **Magna International** ([TSX:MG](#))([NYSE:MGA](#)) and **Parkland** ([TSX:PKI](#)) could provide greater upside to the EV adoption trend than investing in pure-play EV companies like **Tesla**.

Let's dive in.

EV play: Magna International

Magna happens to be one of the world's largest auto manufacturers. And it's a Canadian company. Who would have guessed?

Indeed, Magna's positioning as essentially a contract producer for many of the biggest global auto brands has resulted in this stock outperforming of late. As many investors know, supply and demand in the auto sector is out of whack right now. Auto manufacturers can't produce cars fast enough. And the rise of EV options has spurred even more demand than previously expected.

With Magna making a [serious shift](#) toward EV production, this is a stock with some serious EV tailwinds investors can ride. The company's recently been shifting more of its production to EV and hybrid production lines – a move that will likely be a long-term transition. However, investors are able to get in on the ground floor with this transition today.

Magna isn't cheap and is trading at a relatively expensive valuation multiple. However, I think this multiple is warranted given the growth upside Magna provides right now.

Yes, some EV makers produce their own vehicles. Tesla is a great example. However, more auto

players are choosing an outsourced production model. And I think Magna's positioning as one of the go-to companies in this space is bullish for long-term growth investors right now.

Parkland

As a key marketer, distributor, and reseller of gasoline and other fuels, Parkland is perhaps the last company one would expect to be included in a list of EV stocks. After all, this company's historical business has been anything but.

However, Parkland has been making the shift toward rolling out EV charging stations in a big way. This differentiation move is not only great for existing shareholders worried about long-term declines in fuel consumption. This move makes sense from a profitability standpoint right now.

More governments are shifting their focus on providing EV charging stations, quickly. For example, the Biden administration has set an aggressive goal of having half-a-million chargers available in the next few years. With less than 50,000 in existence today, that's some big growth.

If Parkland can grab a slice of this rapidly growing pie and find a profitable business model that works long term, investors stand to benefit. Over the near term, the company will do very well with its existing core business. However, as the company transitions toward a more EV-focused entity, long-term investors stand to benefit.

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TICKERS GLOBAL

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2. TSX:MG (Magna International Inc.)
3. TSX:PKI (Parkland Fuel Corporation)

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