



1 Top EV Stock Investors Need to Have on their Radar Today

Description

As we move toward a carbon-free future, investors are looking to find the top EV stock to [add growth](#) to their portfolio. Indeed, with a variety of great options available, choosing one can be difficult.

That said, few investors look to Canada for great EV plays (direct or indirect). One company I've been keeping my eye on in this regard of late has been **Martinrea** ([TSX:MRE](#)). Here's why this [lightweight vehicle and EV parts manufacturer](#) could be a great fit right now.

VoltaXplore deal makes Martinrea an EV stock to consider

Most investors think of Martinrea as an auto parts maker. That's what the company does. Indeed, Martinrea is one of the largest manufacturers of metal (mainly aluminum) lightweight vehicle parts, fluid management systems, and other integral components for vehicles.

However, that's not all Martinrea does.

Following a joint venture deal with NanoXplore, Martinrea is moving into the EV battery manufacturing space. The joint venture, dubbed VoltaXplore, has garnered some attention in the media of late. However, I think this is a significant move that deserves a second look by investors bullish on the EV sector.

For one, this \$4 million co-investment by these companies signals a meaningful strategic shift toward EV parts manufacturing. Electric vehicles require fewer parts, but still require batteries and metal parts. For those betting on the future of auto production, Martinrea is well-positioned relative to its peers to capitalize on this growth.

Second, battery manufacturing goes well beyond the auto sector. Should this joint venture work out, the verticals that could be available to Martinrea could push this company to pursue new opportunities. More verticals and more profit potential is a good thing for investors.

Beyond batteries, Martinrea is looking to manufacture the world's first graphene-enhanced brake lines,

coming this summer. Martinrea appears willing to continue diversifying its portfolio into battery trays and electric motor housings. These moves should sit well with EV enthusiasts looking for a true “picks and shovels” play in the EV space.

Bottom line

Martinrea is an auto parts company that’s transforming itself for the future. Indeed, this VoltaXplore deal is more significant than I think the market realizes. Accordingly, Martinrea’s ability to grow its market share over time in this burgeoning segment could prove to be a very smart move. I mean, we’re still in the early innings of the transition toward electric vehicles.

Additionally, I think Martinrea’s valuation is relatively low relative to its growth potential. This is a company with little forward-looking growth factored into its market capitalization which has just recently fallen below \$1 billion.

Martinrea is a unique, niche way to play the rising adoption of electric vehicles. Long-term growth-oriented investors would do well to consider this stock today.

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