



Forget Tesla: 1 Top Canadian EV Stock to Buy Right Now

Description

For investors in the EV space, **Tesla** ([NASDAQ:TSLA](#)) is often the first (and only) EV stock many investors consider. And for good reason. This is a stock that has soared to absolutely insane levels over the past decade. Indeed, [growth investors](#) have a reason to get behind fast-growing EV companies with impressive market share potential.

However, Tesla's valuation is becoming stretched, to put it mildly. Accordingly, EV investors may want to look in other areas of the market for growth at a reasonable price.

One such company I think fits this profile right now is **NFI Group** ([TSX:NFI](#)). Let's discuss why.

An EV stock with a strong niche

Rising competition in the mass production of EVs makes for an interesting future sector dynamic. Investors buying companies like Tesla today are investing in a company with a market share percentage that's unlikely to remain near current levels.

For NFI, one of the [largest suppliers](#) of zero-emission transit buses globally, investors have a niche to focus on that is likely to be less intense from a competitive standpoint. NFI's operations in North America, the U.K., Europe, Asia, and elsewhere make this company a key player in zero-emission transit buses.

Sure, the demand for such vehicles is seasonal and lumpy. Additionally, the growth outlook for this specific sector remains questionable. However, NFI is a company with a very strong market share that I don't see being eroded at least in the near-term. I like that.

Bottom line

NFI is a tricky company to assess. On the one hand, the bus maker isn't profitable yet. However, given the strong shift toward zero-emission targets from government agencies, I expect order flow to pick up

meaningfully in the years to come. Indeed, this is a long-term play for investors in the EV space.

As mentioned, I like NFI's market position and its current market share relative to its competitors. This is a less intense segment of the EV market from a competitive lens. For long-term investors seeking profitable long-term niche EV plays, NFI is a company to consider.

The pandemic certainly hurt NFI's core business substantially. Declining energy prices did not help boost demand for zero-emission alternatives. However, in this rising energy price environment, I think the outlook is much different for NFI. Accordingly, this is a stock I view as a very strong pandemic reopening play right now.

Long-term investors seeking an out-of-the-box EV play ought to consider NFI at these levels.

CATEGORY

1. Investing

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1. energy
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TICKERS GLOBAL

1. NASDAQ:TSLA (Tesla Inc.)
2. TSX:NFI (NFI Group)

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Date

2025/08/13

Date Created

2021/07/23

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