Why This EV Stock Is Up 158% in 2021

Description

When it comes to investing in electric vehicles (EV), there are a lot of EV stocks to consider. However, what if you could consider all of them at once? This is just one of the reasons analysts are getting on board with **AutoCanada** (TSX:ACQ).

AutoCanada is a franchised automobile dealership that operates across Canada and the United States. If it runs, it sells it. And that's exactly what makes this a solid choice if you want to buy an EV stock. In fact, the company was recently included in the TSX30 list of best-performing stocks! So let's look at why AutoCanada is up 158% today and why analysts believe there is further growth to come.

What happened

The most obvious reason behind AutoCanada's recent growth comes from its earnings and acquisitions. This EV stock continues to report strong year-over-year improvements after all but shutting down during the pandemic. Most recently, it reported a 288% increase in net income, and adjusted EBITDA up 1,360% compared to the same time last year! It also reported record-setting revenue, up 76% year over year.

But for those of you thinking that this comes down to an increase from the pandemic, you're only partly right. Management stated during the report there is a "…robust acquisition pipeline of dealerships and collision centres" coming, which would represent more than US$500 million in annual revenue. So not only should growth continue in 2021, but far beyond as well for this EV stock.

So what

While 158% growth is amazing, it's bound to slow, right? Well, yes. But not entirely. AutoCanada will likely see sales up 39% in 2021, and that will continue to increase in the single digits for the next few years. On top of that, earnings per share are expected to explode this year to 495%! This growth has analysts projecting an upside of a further 45% for 2021 alone. So it's absolutely not too late to get in on this EV stock.

And in fact, if you're looking for a way to get in on the action surrounding an EV stock company, this is a great way to do it. As car manufacturers continue to transition to hybrid and electric vehicle models, over the next few years people will want to trade in their cars for an upgrade. That's especially true as charging stations become more common and gas prices continue to rise.

So AutoCanada provides an opportunity to see sales soar with this move toward EVs. It's an EV stock that puts you at the forefront of actual sales rather than innovations. Plus you get access to every car manufacturer rather than sticking with one or two. So again, as the EV stock continues to acquire businesses, collision centres, and offer more EVs, this is a great stock to consider for your portfolio.

Now what

Even with all this growth, AutoCanada is still a great EV stock to buy. It offers a P/E ratio of just 11.31 and EV/EBITDA of 13.71, which is well within value territory. Shares are up 1,314% in the last decade for a compound annual growth rate (CAGR) of 30%! And yet it's still just now closing in on all-time highs seen in 2014.

So if you want an EV stock that will put you at the forefront of returns, consider adding AutoCanada to your watchlist.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:ACQ (AutoCanada Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. alegatewolfe

2. arosenberg

Category

1. Investing

Date
2025/08/12
Date Created
2021/09/23
Author
alegatewolfe