



## 1 Tech Stock to Watch Before the End of the Year

### Description

**Magna International** ([TSX:MG](#))([NYSE:MGA](#)) has to be one of the best deals on the **TSX** today. While shares of the company dropped during the last few months, Motley Fool investors thinking long term should see an opportunity. Let's dig into this tech stock and see why you'll likely want it before the year is out.

### Short-term issues

Magna stock recently reported its third quarter, missing analyst estimates. The supply-chain demands and semiconductor shortage weighed on the tech stock. In fact, the company cut its full-year targets due to these persistent issues.

Vehicle production came in lower than anticipated due to the chip shortages, and higher production costs also hurt the company. The tech stock earned US\$11 million, or \$0.04 per diluted share, in the quarter compared to US\$405 million, or US\$1.35 per share, the same time last year. This resulted in sales falling 13% year over year.

Magna stock now expects earnings between US\$1.35 billion and US\$1.45 billion — down from between US\$2 and US\$2.2 billion — and sales between US\$35.4 billion and US\$36.4 billion — down from the [expected](#) US\$38 and US\$39 billion.

### What's the good news?

Yes, this is all part of a short-term issue that will weigh on the tech stock for the next quarter. However, there are rumours surrounding Magna stock that Motley Fool investors cannot ignore on the TSX today. Namely, Magna stock could be tapped with producing the **Apple** car.

Apple is looking to create an electric, autonomous vehicle. Magna stock already has partnerships with automotive producers, helping to guide their EV transition. It even has a partnership with **LG Electronics** to see this through. However, choosing the tech stock to produce the Apple car would be

like choosing a company to create the first iPhone. It's a really, *really* big deal and could be the car of choice in the [future](#).

## Potential growth

That being said, today Magna stock is a steal. Shares have come down from all-time highs, currently trading at about \$105 per share. It also has a potential upside of about 15% according to analysts within the next year. Furthermore, it has a valuable P/E ratio of 14.22, and EV/EBITDA of 7.52.

And while you wait, the tech stock offers a dividend yield of 2.06%. Meanwhile, it's not like it's standing around. In fact, it recently announced it would provide the all-electric **Ford** F-150 Lightning with its battery enclosures innovation. It's these types of innovations that could lead to Apple choosing the company.

## Foolish takeaway

I get that the potential for this tech stock to soar rests on rumours. However, even if the rumours prove false, Magna stock is a tech stock that Motley Fool investors can get behind. It has partnerships with major brands, such as Ford, to provide the future of EVs with necessary parts. It's created a whole new revenue stream, putting it in a position to be the market share leader.

And right now, it's a steal. Trading 16% below 52-week highs, this company should be on everyone's watchlist on the TSX today. You could certainly see consistent growth in the years to come, and should an [announcement](#) from Apple be made, expect even bigger share growth.

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2. Tech Stocks

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