



1 EV Stock That Could Make You Rich

Description

An EV stock is a company involved in the design, development, or production of battery electric vehicles, hydrogen fuel cell vehicles, battery chargers, battery charging stations, and smart car [technology](#). EV stocks have mushroomed in the wake of **Tesla**.

The possibility of production delays due to a semiconductor shortage and the spread of the Delta variant, concerns about overvalued electric vehicle inventory, and accidents involving autonomous driving features have resulted in a massive selloff in EV stocks.

GreenPower Motor ([TSXV:GPV](#))([NASDAQ:GP](#)), a Canadian EV stock, has plunged more than 50% since the start of the year.



The Canadian maker of electric vehicles is actually a good buy on the dip. It could make you rich one day. Let's see why.

Revenues and deliveries are increasing

Revenues from the delivery of 44 vehicles amounted to \$4.44 million for the second quarter of 2022, an increase of 57% from revenues of \$2.84 million from the delivery of 15 vehicles to the second quarter of 2021. The cost of revenues was \$3.49 million for a gross margin of 21.5% of revenues compared to a gross margin of 30.1% for the last year.

GreenPower expects gross margin to consistently trend above 30%, but it also warned investors that the company could experience lower profitability when making high-volume sales to a single customer. The majority of GreenPower's operating expenses of \$2.92 million were attributed to product development and improving its sales and business infrastructure. In addition, GreenPower's business expansion and geographic footprint have increased costs, which include travel insurance, marketing, and professional fees.

Over the past year, GreenPower has benefited from lower interest and accrual charges, suggesting that it has no interest-bearing debt and only one tranche of warrants remains, which belongs to insiders.

Working capital stood at \$31.33 million at the end of the quarter ended September 30 compared to \$30.81 million at the end of the previous quarter.

Inventories stood at \$22.8 million as of September 30, 2021, compared to \$5.7 million a year ago. Its inventory includes \$8.4 million of finished products as well as \$14.4 million of work in progress, representing a pipeline of 330 vehicles in various stages of completion and production.

The company ended the second quarter with \$8 million in cash.

CEO commentary

[GreenPower CEO Fraser Atkinson said the following:](#)

"As we expected, vehicle deliveries accelerated near the end of our fiscal second quarter and that trend has continued into the current period. Presently, we have over 100 approved vouchers for eligible vehicles listed on the California HVIP, New Jersey ZIP and B.C. SUVI rebate program, which will continue to support increased deliveries in coming quarters.

Sales pipeline activity continues to grow with a variety of large volume opportunities across the GreenPower product line. We have significantly expanded our sales infrastructure and network and we expect to see the benefits of that investment materialize over the next several quarters."

GreenPower to accelerate its growth

On August 31, GreenPower launched the all-electric BEAST D-type school bus. With a capacity of 90 seats and advanced features, this bus is expected to have a significant impact on revenues in the second half of this fiscal year.

GreenPower is expected to increase sales by 237.6% to \$40 million in 2022 and 209% to \$124 million in 2023. This will enable the company to improve its results compared to a loss per share from \$0.21 in fiscal 2022 to earnings per share of \$0.55 in 2023. It's time to buy this EV stock before investors realize the company's potential.

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