



## 3 Canadian Stocks Riding the EV Wave

### Description

Electric vehicles (EVs) are perhaps the hottest product in the world today. EV stocks like **Tesla** have been soaring in the markets, as their deliveries rise quarter after quarter. What was once a niche product is now a sizable share of global auto sales. And investors are predictably chasing after the returns.

The natural consequence of this is that EV stocks have gotten very expensive. Tesla trades at 220 times earnings and 22 times sales, others, like **Rivian**, have hundred-billion-dollar market caps, despite *no* GAAP sales. If you adhere to a value investing philosophy, you might prefer to stay away from these stocks. That doesn't mean you can't invest in the EV revolution, though. To the contrary, there are many value stocks that offer some direct or indirect exposure to the EV sector. In this article, I will explore three such stocks that you can buy on the TSX today.

### Martinrea

**Martinrea** ([TSX:MRE](#))(NYSE:MRE) is a company that develops lightweight structures and propulsion systems for cars. The company's lightweight structures include the following:

- Knuckles, control arms and links
- Subframes
- Body structures
- Exterior trim

Propulsion systems include the following:

- Brake lines
- Engine blocks
- Transmission products
- Fluid and thermal products

These are important components for cars of *all* types. So, how is MRE making money off EVs

specifically?

It's making money off EVs though a [partnership with NanoXPlore](#). The partnership, which was [announced in April](#), will see the two companies collaborate to develop EV batteries enhanced with graphene. Batteries are among the most important EV components, as they largely determine a vehicle's range. So, if these graphene-enhanced batteries become popular, they could be a major source of revenue for Martinrea.

## Magna International

**Magna International** ([TSX:MG](#))([NYSE:MGA](#)) is a Canadian car parts and contract manufacturing company. It makes a number of important car components, including motors, chassis systems, control modules, and more. Magna's business has broadly been on the decline in recent years, with significant decreases in revenue, net income, and operating income over the last few years. You probably wouldn't buy this stock based on its recent results. However, the company does offer some exposure to EV.

Thanks to a recent joint venture the company launched with **LG Electronics**, Magna International will soon be manufacturing electric motors and powertrain systems. These are important EV components, and there are rumours that the Magna/LG company could win contracts with the likes of **Apple**. It's very exciting stuff, but do keep in mind that Magna's recent business results have not been encouraging.

## BlackBerry

**BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) is a Canadian tech company that is tangentially involved in the EV industry. It doesn't have any specific, big projects like motors or e-Powertrain systems, but it does develop car operating systems and other smart car applications. Many electric vehicles are also smart vehicles, so there is some overlap here.

Much like Magna, BlackBerry hasn't been doing very well financially, with year-over-year declines in revenue and net income. However, its car software *is* popular, running on over 175 million vehicles globally. So, there is some potential for BlackBerry to ride the EV wave through new partnerships with EV companies.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. NYSE:BB (BlackBerry)
2. NYSE:MGA (Magna International Inc.)
3. TSX:BB (BlackBerry)
4. TSX:MG (Magna International Inc.)
5. TSX:MRE (Martinrea International Inc.)

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