



1 EV Stock That Could Make You Richer Than Rivian Could

Description

Rivian Automotive ([NASDAQ:RIVN](#)) is one of a slew of new initial public offerings (IPO) target the electric vehicle (EV) market this year. And what's more, analysts say it's just the beginning. A major push in any EV stock comes from an increase in demand for the new vehicles. And investors want to take advantage.

But here's the problem: Rivian isn't proven like some another EV stock Motley Fool investors might [consider](#). While it's performed well since its IPO, it only came on the market less than a month ago! After climbing 129%, shares have since fallen by 36%. While that's still up 46% since its IPO, Rivian may not be where you want to put your cash right now.

Why an EV stock?

First, let's look at why Motley Fool investors remain interested in buying EV stocks in general. Companies like Rivian continue to come on the market in the increase in demand for EVs. But it doesn't have to be an automotive maker. In fact, an EV stock would be considered [anything](#) even to do with EVs in general.

But now there's a major issue. A semi-conductor shortage has led to a number of EV stocks dropping across the world. That includes Canadian companies. It's now created a potentially overvalued situation for many companies.

Well, almost all companies.

Better performance amid challenges

While other companies like Rivian are likely to meet challenges in the coming months, Motley Fool investors need to find companies that provide solutions. That's what you get from **POET Technologies** ([TSXV:PTK](#)).

POET stock is an EV stock designing and developing semiconductors through its Optical Interposer platform. This platform reduces costs, according to the company, and “eliminates” labour-intensive assembly. While headquartered in Toronto, it operates in Pennsylvania, along with Shenzhen China and Singapore.

During its latest earnings report, POET improved its cash position by 97%, ending the quarter with cash and cash equivalents of \$20.3 million. The \$288 million company reported net loss of \$3.5 million, or \$0.01 per share. This came from an increase in research and development that the company said will vary from quarter to quarter.

The EV stock continued with its growth strategy, seeing \$400,000 come in from a joint quarter. And management believes it’s only the beginning for this company. Analysts see Canada as a major opportunity for semiconductor creators like POET, and there could be massive growth for this stock in the near future.

“The supply chain challenges facing the industry have definitely impacted our schedules for delivery of initial samples to customers,” reported Dr. Suresh Venkatesan, chairman & CEO. “Nevertheless, we are now producing samples in the volumes we had expected and are shipping those samples to customers ... we are collaborating with one of the world’s leading laser suppliers, as part of a determined effort to meet and surpass the expectations of the industry for advanced products as we enter the new year.”

Still undervalued

On the surface, Motley Fool investors may see the company’s loss and small size as not a huge advantage. But compared to Rivian, this is a stellar company you’ll want in your portfolio. While it’s still burning cash, it’s decreased it at a level that’s appropriate for a business of its size. It can therefore continue to grow without worry over its very small amount of debt.

Shares of the EV stock are up 64% in the last year and could soon climb higher with a plan for a Nasdaq listing. This could send shares past the \$1 per share mark and higher. So, now is a great time to buy while the EV stock remains undervalued.

For Motley Fool investors seeking out opportunities and solutions for the semiconductor challenge, POET is a great option. You can get in on the action and buy a company that could be a multi-bagger in the near future with the rise in EV use.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:RIVN (Rivian Automotive, Inc.)
2. TSXV:PTK (POET Technologies Inc.)

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2. Koyfin
3. Msn
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Date

2025/07/19

Date Created

2021/12/01

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