



## Forget Rivian: Buy This TSX Energy Stock Instead

### Description

It's been a great time for electric vehicle (EV) initial public offerings (IPOs); case and point: **Rivian Automotive** ([NASDAQ:RIVN](#)). The EV company became one of the most anticipated IPOs of the year on the Nasdaq, with some claiming it can take down **Tesla**.

The IPO came and went and brought in US\$12 billion, the [largest American IPO](#) since 2014. This comes from making massive partnerships before the Rivian IPO, leading to even more attention for enterprise companies. But while Rivian's market capitalization is at US\$108 billion as of writing, Rivian has yet to make any sales.

So, yes, shares of Rivian are up 56% since its IPO. That's certainly something to celebrate. But all this excitement puts it at risk of a drop should it fall short of sales. With that in mind, it might be better to consider another strong energy stock.

### Think big picture

Instead of looking to an EV company like Rivian that's popular, pick an EV stock that's set up for the future. I would look to **Ballard Power Systems** ([TSX:BLDP](#))([NASDAQ:BLDP](#)). Ballard is also an EV producer but *not* cars. It instead focuses on the fuel cell products to EVs in the heavy-duty sector. This includes marine vehicles, trucks, trains, buses, and more. And the company is global, stretching from China to Belgium and back to North America.

Yet the drop in EV popularity back in January left Ballard stock quite low. After climbing 36%, Ballard is now down 49% year to date. Yet with renewed interest in EV stocks lately, it could be a great time to pick up Ballard long term — especially at these prices.

Shares of Ballard stock trade at about \$18.50 as of writing, a fraction of Rivian stock. Yet analysts give it a target share price of \$27. Let's look at why.

## Short-term supply

The supply-chain disruptions put a hamper on [near-term](#) earnings for Ballard, which is why shares continue to trade near 52-week lows. There have been disappointing sales in China, with the need to adopt more fuel cell vehicles in the heavy-duty sector.

This sales growth issue could continue through 2023, coming from supply chain disruptions. However, China has a target of one million fuel cell EVs by 2030, and to reach that goal, its partnerships in China could soon rapidly expand. Furthermore, there has been massive growth in EVs in Europe, especially in large vehicles. And that interest isn't going away anytime soon.

So, yes, in the short term, there are going to be higher costs and lower sales, and that's going to keep shares low. But these short-term issues will certainly lead to long-term growth for those willing to wait. Ballard has tons of partnerships around the globe in an expanding industry. That's something Rivian cannot claim right now.

## Bottom line

Rivian is coming along at a time when there is so much competition in the EV industry. There are EV companies everywhere, and, furthermore, there are ICE-focused car manufacturers now turning towards EVs. Ballard stock has an edge on an industry many continue to ignore or underestimate.

A decade from now, if it comes down to a choice between Rivian and Ballard, I believe you'll be glad to have Ballard in your growth portfolio.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

1. NASDAQ:BLDP (Ballard Power Systems Inc.)
2. NASDAQ:RIVN (Rivian Automotive, Inc.)
3. TSX:BLDP (Ballard Power Systems Inc.)

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