



## FIRE SALE: It's Not Too Late to Buy This Top Canadian EV Stock

### Description

**Lion Electric** ([TSX:LEV](#))(NYSE:LEV) is a Montreal-based company that manufactures all-electric medium- and heavy-duty urban vehicles in North America. Back in November 2021, I'd [discussed](#) why Canadians should forget about **Tesla** and look to the domestic market instead. Today, I want to look at an undervalued electric vehicle (EV) stock that is worth snatching up, as we close the book on January 2022. Let's dive in.

### Why this EV stock has struggled to start 2022

Shares of Lion Electric climbed 9% week over week as of late-morning trading on January 31. However, this EV stock is still down 13% in the year-to-date period. Meanwhile, its shares have plunged 49% year over year.

EV stocks have not been shielded from the broader volatility that engulfed North American markets for most of January. Fortunately, this pullback was curbed after the Bank of Canada (BoC) and the United States Federal Reserve opted to stand pat on benchmark interest rates on January 26. This has spurred a run back into riskier equities.

### Here's why you need to get in on Lion Electric and the EV market

The electric vehicle market has been on an exciting growth trajectory since the beginning of the 2010s. By the end of that decade, the rise of EVs had finally been accepted as an inevitability by consumers and the automobile industry. Major manufactures all over the world are now introducing their own fleet of EVs that will ramp up competition in this space for years to come.

Coming into the 2020s, the International Energy Agency (IEA) projected that the EV market would continue to hit impressive milestones by the time we hit 2030. By 2030, in the Stated Policies Scenario, global electricity demand from electric vehicles is expected to rise roughly six-fold from levels in 2019.

Meanwhile, the global EV stock is projected to reach 245 million vehicles in 2030. That is up more than 30 times the level in 2019.

Lion Electric is expected to unveil its next batch of 2021 earnings in late March. It unveiled its third-quarter 2021 earnings on November 10. It delivered 30 more vehicles in the year-over-year period to a total of 40 in the third quarter. Meanwhile, revenue was reported at \$11.9 million — up from \$9.8 million in the previous year. Lion Electric posted net earnings of \$123 million compared to a net loss of \$38.6 million in the third quarter of 2020. Revenue in the year-to-date period increased to \$34.8 million compared to \$9.91 million in the first nine months of the prior year.

On the business front, this company boasts a vehicle order book of 2,024 all-electric medium- and heavy-duty urban vehicles. That consist over 250 trucks and over 1,750 buses. Moreover, it has advanced on its major Illinois manufacturing facility.

## How does Lion Electric's value look today?

In late 2021, I'd looked at some of the [top EV stocks](#) to snatch up before the New Year. Lion Electric deserves to be on that list today. It dipped into technically [oversold territory](#) during trading last week. The EV stock's recent surge has vaulted it back to neutral levels. However, I'm still looking to snatch up Lion Electric as we move into February.

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