



Transition to EVs: 2 TSX Stocks Are Dream Investments

Description

Electric vehicles (EV) could slow down or reduce oil consumption. Based on industry forecasts, there would be around 36 million EVs on the road by 2025. Today, ride sharing is disruptive for the traditional auto market and one of the solutions to save on gas bills. In the near future, EVs will surely dent gasoline demand.

According to a Leger survey, nearly one-third of Canadians intend to buy EVs. About one in two respondents say they were using their vehicles less to save on gasoline. There's no denying that the financial squeeze is on due to rising inflation. Besides [higher fuel prices](#), people worry about rising food prices.

On the investment front, **Ballard Power Systems** ([TSX:BLDP](#))([NASDAQ:BLDP](#)) and **Lion Electric** ([TSX:LEV](#))(NYSE:LEV) should be on [investors' radars](#). If you're looking to the near future or an EV environment, both stocks are dream investments today.

TSX30 winner

Ballard is a member of the TSX30 List since the launching of **TMX Group's** flagship program in 2019. Also, the industrial is one of only four [growth stocks](#) for all three years. **Shopify**, **Wesdome Gold Mines**, and **Cargojet** are the three others. In 2021, ranked fourth among the top 30 winners.

The \$4.44 billion company develops, manufactures, and sells proton exchange membrane (PEM) fuel cell products. Ballard offers its products for power product markets, mostly heavy- and medium-duty vehicles like buses, trucks, and rails. It also has marine applications and provides backup power plus material handling services.

In March 2021, Ballard announced that fuel cell electric vehicles (FCEVs) powered by its PEM fuel cell technology have driven more than 75 million kilometres on roads around the globe. According to management, its PEM fuel cell technology and products have been integrated into FCEVs for many years. They provide zero-emission power for vehicle propulsion in more 20 countries.

Besides the zero-emission capabilities, PEM fuel cells enable electrification of mobility. Regarding stock performance, BLDP's total return in 3.01 years is 254.39% (52.35% CAGR). As of this writing, investors are down 9.2% year to date. However, based on analysts' forecast, the current share price of \$14.43 could climb 72.2% to \$24.85 in 12 months.

Great progress

Lion Electric trades at a discount today. At \$11.02 per share, the year-to-date loss is 11.8%. Nonetheless, analysts covering the stock have a 12-month average price target of \$16.51 — a potential upside of 49.8%. LEV is one of the promising IPOs from last year.

The \$2.08 billion company manufactures all-electric medium- and heavy-duty urban vehicles. In 2021, total revenue increased 146.4% to US\$57.71 million versus 2020. Notably, net loss decreased 55.5% year over year. In Q4 2021, revenue grew 69.6% compared to Q4 2020. Net income reached US\$28.3 million versus the US\$53 million net loss.

Marc Bedard, CEO and founder of Lion Electric, said, "We are proud of the progress we have made during the last year, which marked, among other things, our transition to a public company." Its state-of-the-art manufacturing facility will soon rise in Illinois.

The plant can produce up to 20,000 Lion vehicles per year for the U.S. market. The construction of the Lion Campus, a five-GhW battery plant and innovation centre, is ongoing.

Must-buys

Ballard and Lion Electric are must-buys, as they should be key contributors to Canada's transition to EVs. The stocks have massive growth potential as well.

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2. Tech Stocks

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2. OTC:LEVG.Q (Lion Electric)
3. TSX:BLDP (Ballard Power Systems Inc.)
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