



## This Little-Known Materials Company Has Quietly Gained 20% in Just 1 Month

### Description

There are quite a few investors out there seeking the next big thing. And right now certainly is a good time to consider finding it. After all, the market is down. But when a recession comes to an end, the hunt will be on for the next growth stock. And that could be in the materials sector.

### Why materials?

Rather than asking why materials, instead one should ask *which* materials. In that case it's quite easy: lithium. Lithium is already powering our present, but it's going to *seriously* power our future. Lithium is needed for batteries, which power everything from electric vehicles to your remote. And as the world shifts to renewable energy resources, it's looking to power that, too.

If you're looking for the next big thing, you're going to want to find companies that are involved or even producing [lithium](#). I've written about a few of these materials stocks in the past. However, there's one that's quietly been climbing. And it's up 20% in just the last month alone.

That stock is **Allkem** (TSX:AKE).

### Why is it climbing?

Allkem stock is up 20% in the last month, with the materials stock focusing on lithium production. In particular, it has a mine in Olaroz that investors are watching very carefully.

The Brisbane-based company recently came out with its quarterly report to discuss its ongoing operations. In it, the Olaroz facility achieved a record 4,253 tonnes of lithium carbonate production, up 17% year over year. In the last half year, it achieved a record that was 13% higher than its prior record reached in 2019.

Sales continued to climb, and Allkem stock remains convinced that electric vehicle sales growth will continue this trend. This isn't coming just from car manufacturers but also from governments who want

sales to continue. So, the [materials](#) stock is likely to see growth across the globe.

Furthermore, Allkem stock continues to develop new projects around the world. This includes several in Canada, and a stage-two project for Olarox that is 96% complete. Plus, last December, the company also completed an acquisition in Argentina to bring on more lithium as well. So, it could be we're just in the beginning of this growth phase.

## Get in on today's value

Allkem stock may be up 20% in the last month and 49% in the last year, but there is still clearly growth to be had. What's more, it trades just shy of value territory at 17.94 times earnings. It doesn't currently have a dividend yield, as it continues to grow its projects, but that could change in the future. It's been doing so much growth that revenue and earnings absolutely exploded in 2022. It went from \$84.76 million in revenue to an incredible \$769.82 million!

What's more, over the last decade alone, Allkem stock has climbed 425%. That's come at a compound annual growth rate of 14%! So, if you're looking for continued growth at this level, I would certainly consider picking up Allkem stock on the TSX today.

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