Investors: Is it Time to Go Bottom Fishing With These 2 Tech Stocks?

Description

Investors are always looking for undervalued tech stocks. They want to invest in stocks that will generate multi-fold and exponential returns. But it is not easy to identify potential winners. With the technology landscape constantly changing, tech investments come with significant risks.

Here we look at two tech stocks that have lost substantial investor wealth over the last 12 months and are trading close to their 52-week lows. Are these stocks attractive at the current price, or will they sink lower?

Maxar Technologies has lost 90% since 2015

Maxar Technologies (TSX:MAXR)(NYSE:MAXR) stock is currently trading at $9.1 per share. This is a whopping 81.4% below its 52-week high of $48.65. Shares of Maxar have in fact fallen by 90% since April 2015.

Maxar is a player in the space technology segment and aims to provide end-to-end capabilities in satellites, robotics, geospatial data, and Earth imagery. While the market potential for Maxar remains huge, it has failed to improve investor confidence in the last three years.

Analysts expect Maxar's sales to fall by 9.6% to $1.94 billion in 2019 and by 1.5% to $1.91 billion in 2020. The company's earnings per share (EPS) is expected to fall by a significant 145% in 2019 and improve by 24.4% in 2020. Its EPS is estimated to rise at an annual rate of 5.2% in the next five years.

Maxar is still struggling for profitability. At this stage, the stock looks too risky and will lose significant value if the company misses quarterly earnings or revenue estimates going forward. It has missed three of the last four analyst earnings estimates by huge margins.

Maxar is a stock that needs to be avoided, at least until it returns to revenue growth and can significantly improve the bottom line.

Drone Delivery Canada has lost 31% in the last year

Shares of **Drone Delivery Canada** (TSXV:FLT) are down close to 31% in the last 12 months. The stock is trading at $1, which is 46% below its 52-week high. Drone Delivery was listed back in January 2018 and reached an all-time high of $2.1 that month.

As the name suggests, it is a drone technology company. It looks to provide a drone logistics platform for commercial enterprises such as restaurants, pharmacies, and other retailers. Drone Delivery has the first-mover advantage and can be a massive wealth creator for investors.

The drone delivery sector is poised for significant growth. **Goldman Sachs** estimates the drone delivery segment to be valued at $100 billion by 2020. Let’s look at the company financials.

Analysts expect Drone Delivery Canada sales to reach $2 million in 2019. Sales are then expected to grow by a staggering 544.5% to $12.31 million in 2020 and by 75% to 21.3 million in 2021. The company’s EPS is expected to rise by 14.3% in 2019 and improve by 50% in 2020.

The total addressable market for Drone Delivery might excite investors. It is expected to grow sales at a robust rate over the next two years and will be nearing profitability by the end of 2021. You may want to take a small position now that the stock is down almost 50% in the last year.

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