



## 1 Stock That Could Triple Your Money by the End of 2020

### Description

Investors are always on the look-out for multi-bagger investments. They want investments to generate 20 or 30 times return in the span of a few years. Think investing in **Apple**, **Amazon**, and Google all those years back.

There is one stock, which, though high risk, has significant upside potential. The company is **Drone Delivery Canada** ([TSXV:FLT](#)). Drone Delivery Canada is a drone technology company. It focuses on the development and implementation of drone logistics platforms. FLT aims to offer services to restaurants, pharmacies, retailers, and others.

### Drone Delivery stock gaining momentum

FLT has burnt considerable investor wealth over the years. It has fallen from \$1.94 in January 2018 to \$0.72 in October 2018. The stock has since gained 27.8% to close trading at \$0.92 on October 30. Despite the pullback since the start of 2018, FLT stock is up over 280% in the last five years.

FLT is still in the testing stage of products but has a growing addressable market. Last year, a Research and Insights report estimated the drone logistics and transportation market to reach US\$11.2 billion by 2022. This market is expected to grow at an annual rate of 21% between 2022 and 2027 to reach \$29.06 billion by the end of the forecast period.

The report states, “Increasing demand for faster delivery in the logistics industry is expected to fuel the growth of the drone logistics and drone transportation market. Military forces are also exploiting the use of drones to resupply soldiers with equipment, spares, food, and ammunition in the battlefield.”

The high-growth e-commerce market and the use of unmanned aerial vehicles (UAVs) will be key drivers for Drone Delivery products. FLT’s flight systems cover several aspects of a UAV, including the operational and logistics components. FLT’s operational platforms include route planning, guidance, geofencing, scheduling, and tracking.

While FLT is largely focused on the Canadian market, sales will grow at an exponential rate if it

successfully expands into international geographies. Research and Insights expect the Asia-Pacific region to drive growth in the drone delivery segment.

## Revenue and earnings growth

Analysts expect FLT sales to rise from \$1.47 million in 2019 to \$10.9 million in 2020 and \$20 million in 2021. The company is also expected to be EBITDA positive by 2021. Analysts expect the EBITDA to improve from -\$12 million in 2019 to \$10.7 million in 2021.

Drone Delivery is valued at \$160 million as per market cap. This means it is valued at 109 times 2019 sales and eight times 2021 sales. The company's revenue and earnings estimates are robust, and we can expect the firm to invest heavily in manufacturing expansion going forward. In fact, the capex-to-sales ratio for 2019 is 346%.

FLT has tested with Moose Cree First Nation [to scale the costs of food and medicine delivery](#) in remote locations of northern Canada. It has also entered a commercial agreement [with Vision Profile Extrusions](#) "to deploy a drone delivery platform for the use of Vision between its properties in Vaughan, Ontario."

The expansion of partnerships and successful testing provides an opportunity for significant gains in the long term. Will you bet on this micro-cap stock?

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