



Is This Canada's Next Top Growth Stock?

Description

Canada is home to some of the market's hottest growth stocks. Companies like **Shopify Inc** and **Constellation Software Inc.** have rocketed in value for years at a time.

By now, however, many high-growth companies have achieved multi-billion dollar valuations. And while there's still plenty of growth ahead, the pace may not keep up with historical standards.

The best time to buy a growth stock is *before* the market catches on. That requires some prudent risk-taking, purchasing shares in advance of exponential growth.

If you want to capitalize on early-stage growth, **Drone Delivery Canada Corp** ([TSXV:FLT](#)) shares should be at the top of your watch list.

With a market cap of \$110 million, few investors are paying attention to this stock, yet its immediate market opportunity could be worth more than \$1 billion.

If we've learned anything from Shopify and Constellation Software stock, the [time to buy](#) is now.

Here's the deal

According to the company, Drone Delivery aims to *"...solve logistics problems ?in Canada's north."* What exactly does that mean?

Roughly 118,000 Canadians live in remote areas of Canada. These people are extremely isolated from any traditional transportation infrastructure. Reaching them can take days — not to mention a boatload of money.

These people aren't alone. In Northern Canada, there are also mines, oil and gas operations, hospitals, and other facilities that can have an urgent demand for goods. Blood shortages can put lives at risk, while a broken part could halt a multi-million dollar commodity operation.

Drone Delivery wants to cut costs and time by delivering these items via drone, potentially reducing delivery times by days or weeks while also saving both parties money. In total, this could be a \$1 billion market opportunity, if the company can execute.

There aren't many companies focusing on this niche, but there are parallels to learn from.

Cargojet Inc is a Canadian shipping company specializing in overnight air shipments. This is just a small slice of total air shipments, but management bet that the specific factors of the Canadian logistics market would lend itself to a domestic operator.

Today, it controls a commanding share of the market, attracting a large investment from **Amazon.com, Inc.** Since 2011, shares have increased by more than 1,100%.

Meanwhile, U.S. startup, Zipline is working with the Rwandan government to deliver blood supplies by drone. So far, the company has reduced transport times from three hours to just six minutes.

Thousands of life-saving deliveries have been made, thus validating the drone delivery model for high-demand goods.

How to bet

While this story will take time to play out, recent developments appear positive.

This week, the company launched its Robin XL drone, which has a lifting capability of 25 pounds, a travel range of 60 kilometers, and can withstand harsh climates. "Our engineering team has been working alongside various commercial partners and clients to develop the Robin to satisfy their commercial requirements," said Paul Di Benedetto, CTO at Drone Delivery Canada.

According to a press release, the company could announce commercial routes for the Robin XL by the second quarter of 2020. Shares have been moribund for years as the company developed tech to capitalize on its market opportunity.

It appears that this year is the year of real-world market traction. It's a speculative bet, but one that should attract early-stage growth investors.

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