



Millennials: The Hottest-Ever Cult Start-Up Stock Is Here!

Description

Socially responsible investing has been increasingly gaining ground. Millennial investors are looking for opportunities that can make solid returns along with a social impact. They are of the opinion that big profits can still be reaped with sustainable business practices. One such start-up emerging in Canada is the ride-sharing platform **Facedrive** (TSXV:FD).

Facedrive is a \$377 million technology company that provides transportation solutions for riders and drivers. Interestingly, it differentiates itself on several fronts against peer ride-sharing companies like **Uber** and **Lyft**.

What differentiates Facedrive

Uber, the global ride-sharing leader, saw significant growth in its initial days. However, at the same time, it has also been severely criticized for being one of the worst polluters. Facedrive has addressed that concern.

Founded in 2016, Facedrive is witnessing explosive growth based on its sustainable investment thesis. Current ride-sharing platforms like Uber are significantly contributing to air pollution and are the least environmentally friendly. However, Facedrive is carbon neutral, taking riders along on a sustainable journey.

Facedrive gives its riders options like EVs (electric vehicles), hybrids, or gas-powered vehicles to choose from. Riders can check the environmental impact after their ride. Also, a percentage of the rider fare is invested in green initiatives like planting trees. Facedrive offers its drivers high payout rates, which lower manpower risks like peer ride-hailing platforms are currently facing.

The Canadian ride-hailer has seen a massive increase in its registered users and completed rides in the last few quarters. It had more than 13,000 drivers on board at the end of December 2019. Importantly, it [reported](#) revenues of \$599,104 last year against revenues of \$13,579 in 2018. Facedrive is currently a loss-making venture; however, it could turn profitable amid growing rider base and geographical expansion.

Facedrive stock was trading at \$4.2 at writing, a massive surge from its \$0.65 levels this time last year. A \$10,000 invested in this stock a year ago would have accumulated approximately \$65,000 today.

Growth potential

Facedrive is currently operational in the Greater Toronto Area, Hamilton, London, Guelph, Kitchener, Waterloo, Cambridge, Orillia, and Ottawa, Ontario. While it plans to expand globally next year, its near-term focus is to establish in Europe. Facedrive recently completed an acquisition of HiRide — an innovative car-pooling app that seeks to reduce the negative impact on climate.

The global ride-sharing industry is expected to grow to \$365 billion by 2024; that's an attractive CAGR of 9%. Facedrive is an emerging player in this high-growth industry with a specific appeal to millennials. Despite being a new entrant, it is unlikely that Facedrive will struggle to gain a market share. Social and environmental issues are increasingly becoming some of the dominant factors in millennials' decision making.

The climate-friendly approach will encourage riders switch to cleaner choices over established players. As the company's presentation rightly states, customers are fine paying more or staying loyal to the companies that embrace sustainability. Established players could notably fall, as this transportation-as-a-service provider enters in larger markets in the next few years.

Recent pandemic-driven lockdowns could have hampered Facedrive's expansion plans. However, the growth phase of this tech start-up seems to have just started. The company offers [huge growth potential](#) for the future given a competitive advantage and rosy outlook of the entire industry.

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Date

2025/09/10

Date Created

2020/05/07

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