



This Tech Stock Surged 450% in 2 Months!

Description

On March 16, during one of the most gruesome market crashes in history, a [little-known tech stock](#) was trading at \$2 a share. That stock is now worth \$11. In other words, this stock surged 450% in just under two months.

Returns like this are exceedingly rare. This is why it's no surprise that this company's business model seems just as unconventional and innovative. **Facedrive** (TSXV:FD) offers a unique twist on the emerging ride-sharing industry. Here's a look at why investors are so excited about this under-the-radar growth star.

Eco-friendly ride sharing

Facedrive describes itself as a "planet-first ride-sharing platform." In other words, the platform uses incentives to encourage greener transport. Drivers with hybrid or fully electric vehicles can charge a premium on the platform. Meanwhile, riders can pick greener transport options. They can also pay an extra fee based on the carbon footprint each ride generates.

There's an emerging target audience for this service. Plenty of consumers are aware of their carbon footprint and are actively trying to limit their impact on the environment. This gives Facedrive a competitive edge over larger, more well-established rivals.

However, I believe there's an even bigger opportunity for enterprise customers. Large corporations can use Facedrive's platform to mitigate their firm's carbon footprint. Picking electric or hybrid transport for executives and employees could bolster their "green credentials."

Facedrive has already secured corporate partnerships with **Canadian Tire**, **TELUS**, and **Scotiabank**. Meanwhile, it's expanding food delivery services and business-to-business delivery services with partners such as Anixter.

Opportunity

Facedrive's research seems to suggest that there's a broad and expanding market for eco-friendly ride sharing. Over 65% of consumers said they would be willing to pay more for a ride if they could offset or reduce their environmental impact.

Global ride sharing, according to Facedrive, is worth US\$235 billion today and could be worth \$365 billion by 2024. In Canada, the penetration of this technology is only 13%, which means there's plenty of room to grow.

Facedrive seems to be capitalizing on that growth potential. The company reported 59,676 users and 11,069 drivers on the platform in December last year. Ridership, revenue, and downloads have all been expanding rapidly every month. That seems to have pushed the company's stock to an all-time high.

This sudden surge in market value seems to be overshadowing the platform's inherent risks.

Risks

Facedrive certainly has a unique value proposition. However, this value proposition isn't easy to defend. Larger ride-sharing platforms could easily integrate carbon emissions monitoring and better incentives for electric vehicles on their platforms. If demand for eco-friendly rides is genuinely large enough, I don't see why industry incumbents couldn't adopt the same model to bolster their well-established networks.

Facedrive also seems overvalued at the moment. The company's market value has surged from \$166 million to Nearly \$1 billion in less than two months. The stock now trades at a price-to-sales ratio of 727. In other words, it's priced to perfection.

Bottom line

Lucky investors who spotted Facedrive early have probably quintupled their money in just a few weeks. While the business model seems promising, the stock valuation should make any reasonable investor cautious.

The stock certainly deserves a spot on your tech stock watch list. Just like these three...

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