



3 of the Fastest-Growing Tech Stocks in Canada

Description

While market pundits are bragging about going defensive amid uncertainties, Canadian tech stocks have not shown any signs of weakening. Tech stocks in the country have continued to soar higher despite valuation concerns and recession jitters.

While the **TSX Index** has fallen by almost 15%, many technology stocks have doubled this year. **Shopify's** ([TSX:SHOP](#))([NYSE:SHOP](#)) remarkable rally made it the biggest company by market capitalization. The stock has more than doubled so far this year. Another tech stock, **Real Matters** ([TSX:REAL](#)), has also soared approximately 100% this year.

Interestingly, this falls too short when compared to **Facedrive** (TSXV:FD) — a climate-friendly ride-sharing platform. The stock has skyrocketed almost 300% this year, as more and more investors have started believing in its growth story.

Let's dig a little deeper into these three.

Top tech stock: Shopify

Shopify benefitted from the lockdowns as a higher number of small- and medium-scale businesses tried to set up their online stores. The increased demand was seen in its top line during the recently reported quarter. Shopify's revenues increased by 47% in the first quarter compared to the same quarter last year.

Shopify is the second-biggest e-commerce player in the U.S., with a market share of almost 6%. **Amazon** leads the industry with more than 37% market share.

Shopify might continue to reap the benefits of changing consumer behaviour in the next few years. Its growing customer base, along with verticals expansion, will likely fuel further growth. Analysts expect Shopify's revenues to grow 37% while earnings are estimated to increase by 30% this year against 2019.

However, it seems like Shopify's above-average growth has already priced into its rally. The stock looks extremely overvalued at the moment. Even if it continues to grow at the same pace financially, the valuation looks unwarranted.

Top tech stock: Real Matters

Shares of Real Matters were weak during the COVID-19 market crash in March. But they were quick to recover and have more than doubled so far this year.

A \$2 billion technology company, Real Matters provides title and mortgage closing services to the insurance and mortgage lending industry in the U.S. and Canada. Its revenues [grew](#) 80% year over year to \$36 million in the recently reported quarter. Its net earnings came in at \$11 million, a steep surge from \$1 million in the same period last year.

Notably, the growth story of Real Matters seems far from over. As central banks continue to push interest rates lower, more and more customers might to refinance their mortgages. However, investors should note that Real Matters stock indeed looks overvalued after such a steep rally.

Top tech stock: Facedrive

Facedrive stock was trading well below \$1 in June 2018, and the stock breached \$11 levels last week. That was more than 1,100% return in just two years.

Facedrive seems ready to take on global peer ride-sharing platforms like **Uber**. The carbon-neutral company Facedrive offers its riders options like EVs, hybrids, and traditional vehicles to choose from. Interestingly, as people are getting more and more vigilant about environmental issues, Facedrive might not have to struggle for market share.

The company is a loss-making venture at the moment, but its revenues saw [exceptional growth](#) last year. It is planning to expand in the U.S. and Europe in the near future. Facedrive is also aggressively expanding in corporate ride-sharing and online food deliveries.

FD stock is currently trading at \$8.5 and has rallied more than 70% since reporting its last year's earnings in late April.

This transportation-as-a-service sector has seen superior growth globally in the last few years. Facedrive offers even bigger growth potential for the future, given its carbon-neutral appeal and promising outlook of the entire industry.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NYSE:SHOP (Shopify Inc.)

2. NYSE:UBER (Uber Technologies, Inc.)
3. TSX:REAL (Real Matters Inc.)
4. TSX:SHOP (Shopify Inc.)
5. TSXV:STER (Facedrive Inc.)

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

Category

1. Investing
2. Tech Stocks

Date

2025/08/25

Date Created

2020/05/20

Author

vinitkularni20

default watermark

default watermark