



## Forget Shopify (TSX:SHOP): This Tech Stock Has Gained 600% in 2020

### Description

**Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) stock has been on an absolute tear since it went public back in May 2020 at a price of US\$17 per share. For example, if you had invested \$1,000 in Shopify stock during its IPO, you would have generated a massive \$59,000 today. Even when equity markets are in turmoil amid the COVID-19 pandemic, Canada's e-commerce giant has gained close to 150% in 2020.

The tech stock has been unstoppable and is trading at a market cap of \$160.2 billion, making Shopify Canada's most valued company. The long-term revenue drivers for Shopify remain in place for the company to grow the top line at a robust pace. While the pandemic has decimated traditional retail, consumers have transitioned to online shopping, which has acted as a significant tailwind for Shopify.

As people continue to stay indoors amid COVID-19, the time spent shopping online is bound to increase, driving Shopify's online traffic higher. Shopify is one of the largest e-commerce platforms in the world and has enough room to grow in international markets, making it one of the top firms on which to place your long-term bets.

However, Shopify stock's sustained upward rally has also [raised valuation concerns](#). It is now trading at a forward price-to-sales multiple of 54.3, while its price to earnings multiple stands sky high at 1,905. Further, if the economy remains sluggish due to a spike in unemployment rates, consumer spending will fall and impact Shopify's top line in the near term.

Shopify stock needs to be on the radar of growth investors, and every correction should be viewed as a buying opportunity due to its rapidly expanding addressable market. However, there is another stock that can be considered for your portfolio — a company that has outperformed Shopify this year.

## Facedrive stock has beaten Shopify and gained 600% year to date

Shares of **Facedrive** (TSXV:FD) are trading at \$16.38 and are up a whopping 600% in 2020, making it one of the top-performing Canadian stocks. Facedrive stock is currently valued at a market cap of

\$1.37 billion and has, in fact, corrected over 40% since touching a record high of \$28 per share in intra-day trading on July 10.

Facedrive is a [ride-sharing platform](#) with a fleet of electric, gas-powered, and hybrid vehicles. The company aims to target eco-friendly riders that make sustainable transportation choices, helping to reduce carbon footprint. Its eco-friendly vision will make Facedrive an attractive ride-hailing option for millennials.

In the first quarter of 2020, the company reported sales of \$387,901, up 977% year over year compared to sales of \$36,027 in the prior-year period. Facedrive's loss expanded to \$1.62 million, up from \$828,552 in the same period. It ended Q1 with a cash balance of \$3.46 million, which provides it some leeway to improve profit margins before it raises additional capital.

Facedrive stock is valued at 2,280 times 2019 sales, but it will also grow its revenue at a rapid pace in the upcoming decade. It already has over 78,000 users, and the company forecasts Canada's ride-sharing market to grow at an annual rate of 9.5% between 2018 and 2024.

Facedrive services are available in just a few Canadian regions, and it's now eyeing domestic and international expansion, which should make it one of the top growth stocks of the upcoming decade.

## CATEGORY

1. Investing
2. Tech Stocks

## TICKERS GLOBAL

1. NYSE:SHOP (Shopify Inc.)
2. TSX:SHOP (Shopify Inc.)
3. TSXV:STER (Facedrive Inc.)

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