



## WOW! This Tech Stock Converted \$1,000 Into \$7,700 in 10 Months

### Description

The stock market is a place which has made billionaires like Warren Buffett and Prem Watsa. It is the place where companies come to raise capital and investors come to make money. Every investor is looking for the next billion-dollar stock.

In this digital age, tech IPOs (initial public offerings) are selling like hotcakes. Last year, two tech companies launched their IPOs, **Lightspeed POS** and **Facedrive** (TSXV:FD). Since their IPO, the two stocks have surged 78% and 670%, respectively.

If you invested \$1,000 in Facedrive's IPO in September 2019, your money would have grown to a whopping \$7,700 by now.

### The tech IPO of the year

A 570% growth in 10 months makes Facedrive the tech IPO of the year. This [exponential growth](#) has increased the value of the company with annual revenue of \$599 million to \$1.46 billion in market capitalization.

Such a jump in valuation has raised several questions. Is this growth backed by fundamentals, or is it just inflated expectations? Facedrive's story shows that it can be the next billion-dollar stock.

### Facedrive stock's journey to the first billion

The story begins in 2016 when Sayan Navaratnam founded Facedrive as a sustainable ride-sharing business. Facedrive app gives riders and drivers an option to choose from electric vehicles, hybrids, and conventional vehicles. The app also calculates the estimated CO2 emissions per ride, and accordingly plant trees in its operational area.

When the business started gaining momentum, the COVID-19 pandemic came as an unpleasant surprise and disrupted the ride-sharing business across the globe. The lockdown and transport

restrictions halved the stock price of Facedrive as well as **Uber** in March.

However, Facedrive converted the pandemic threat into an opportunity. Advancing on its “people-and-planet-first” business model, it ventured into sustainable food delivery, e-commerce, and health technology businesses.

## Facedrive's COVID-19 response

While the world was fighting the pandemic, Facedrive was busy undertaking acquisitions and developing COVID-19 mobile application. The company made two major acquisitions:

- HiRide Share, a ride-sharing and car-pooling app for longer-distance commuters, in March, and
- Foodora, Canada's food delivery service, in July.

Acquisitions are a fast-track way to increase customers and revenue. These acquisitions significantly boosted Facedrive's stock price in March and July.

In April, the company collaborated with the University of Waterloo to develop TraceSCAN, a COVID-19 contact tracing app for wearables. This Bluetooth enabled technology targets people who do not carry smartphones. These people include senior citizens, children, and low-income individuals, as well as construction workers, healthcare professionals, farmers, and other industry professionals.

Individuals are reluctant to use public transportation over fears of catching the coronavirus.

The ride-sharing industry is still at a very nascent stage. [MarketsandMarkets estimates](#) the industry to increase at a CAGR of 19.87% between 2018 and 2025.

## Is Facedrive stock rally sustainable?

Facedrive stock is currently trading at 1,500 times its sales per share. While this valuation might seem crazy, so is the company's revenue growth. If the company can replicate its last year's revenue growth rate of 4,000%, its stock can grow further in 2020.

The financial impact of the company's two acquisitions will reflect in the coming quarterly earnings, which means you could see a huge jump in the stock price around its earnings. If the company makes any other strategic acquisition that can monetize the pandemic situation, the stock price could see another huge jump.

Facedrive stock's rally is sustainable in the long run. Although it might not surge six-fold in the next one year, it might double or triple your money in the next five years. Make sure you invest in Facedrive through your Tax-Free Savings Account (TFSA) to save your wealth from taxes.

### CATEGORY

1. Coronavirus
2. Investing
3. Tech Stocks

## TICKERS GLOBAL

1. TSXV:STER (Facedrive Inc.)

## PARTNER-FEEDS

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

## Category

1. Coronavirus
2. Investing
3. Tech Stocks

## Date

2025/07/04

## Date Created

2020/07/27

## Author

pujatayal

default watermark

default watermark