



## Better Than Shopify (TSX:SHOP), This Tech Stock Could Turn \$6,000 Into \$60,000

### Description

Who doesn't know about **Shopify's** pandemic rush? In just five years from its initial public offering (IPO), it has become the second-largest e-commerce giant after **Amazon**. And the COVID-19 pandemic gave wings to its platform, as it saw a [100% surge in revenue](#) in the second quarter alone. Shopify stock rose 228.5% year to date to become the most valuable stock trading on the Toronto Stock Exchange. But there is one tech stock that outperformed even Shopify and grew 700% year to date.

### Facedrive stock outperforms Shopify

You would be surprised to know that one tech stock that outperformed Shopify is the sustainable ride-sharing company **Facedrive** (TSXV:FD). It's a pretty new company, founded in 2016, with an IPO launch in September 2019. If you had invested \$6,000 in its IPO, today your money would be over \$54,000. This amount can increase to \$60,000 in the next few months.

Facedrive stock rose 30% in the last 14 days. It has even outperformed the ride-sharing leader **Uber** ([NYSE:UBER](#)), which was founded in 2009 and launched its IPO in May 2019. Uber's shares fell 20% year to date, whereas Facedrive's shares rose 700%.

Why is there such stark contrast in the performance of two ride-sharing stocks?

### Uber vs. Facedrive

Uber is an early entrant and a leader in the ride-sharing market, whereas Facedrive is pretty new to the market. The market leaders tend to grow slower than new entrants, because they grow alongside the market. New entrants not only grow with the market but also grow by gaining market share.

On one hand, Uber's revenue rose 25% YoY (year over year) to \$10.3 billion in 2019. On the other hand, Facedrive's revenue rose 4,000% from \$13,579 in 2018 to \$599,104 in 2019.

MarketsandMarkets [forecasts](#) the ride-sharing market to grow at a CAGR of 19.87% from \$61.3 billion in 2018 to \$218 billion by 2025. As Facedrive gains market share, its revenue growth will normalize in line with the market.

While both Uber and Facedrive are in a growth stage, the latter has the potential to grow exponentially.

## Behind Facedrive's stock rally

Facedrive is trying to differentiate itself in the ride-sharing market by adopting a sustainable business model. Its app allows riders and drivers to choose from electric vehicles, hybrids, and conventional vehicles. It calculates the estimated CO2 emissions per ride and accordingly plants trees.

Only last year, Facedrive's business started gaining momentum, and the COVID-19 pandemic disrupted the ride-sharing market. Its stock price halved in March. However, the company converted the pandemic threat into an opportunity and ventured into sustainable food delivery, e-commerce, and health technology businesses.

During the lockdown period, Facedrive acquired Canada's food-delivery service Foodora in July and a long-distance ride-sharing service HiRide Share in March. These acquisitions will help Facedrive get access to these companies' customer base, thereby accelerating its revenue growth.

In April, Facedrive developed a COVID-19 contact tracing app named TraceSCAN in collaboration with the University of Waterloo. This is a Bluetooth-enabled app for wearables aimed at those demographics who do not have access to smartphones.

## Investor corner

All the above factors are driving Facedrive's stock. The stock still has the potential to triple your money in the mid-term. It is currently trading at \$18, which is 2,000 times its sales per share. But the company is also growing its sales at 4,000%, thereby justifying its valuation.

However, valuation is not the right way to look at this stock, as it is in its early growth years. It is expanding its business in areas where it can monetize its "people-and-planet-first" business model. Acquisitions and mergers can go both ways; they can either boost growth or prove to be a costly investment with little returns.

If you haven't yet opened a Tax-Free Savings Account (TFSA), this is a good time to open one. It has an annual contribution limit of \$6,000 for this year. Invest \$6,000 in Facedrive through your TFSA. Looking at the rate at which this stock is growing, it can convert your \$6,000 into \$60,000 in five to seven years or even earlier.

### CATEGORY

1. Coronavirus
2. Investing
3. Tech Stocks

### TICKERS GLOBAL

1. NYSE:UBER (Uber Technologies, Inc.)
2. 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**

2025/08/24

#### **Date Created**

2020/08/06

#### **Author**

pujatayal

default watermark

default watermark