$1,000 in These 3 IPOs Would Be Worth $7,330 Today

Description

Plenty of new stocks have been listed this year despite the crisis. In fact, most of them have performed surprisingly well. Technology stocks, in particular, have had exceptional initial public offerings (IPOs) over the past 12 months.

With that in mind, here are the top performing IPOs over the past year and their prospects for next year.

Docebo

E-learning platform **Docebo** (TSX:DCBO) was extremely lucky with its IPO timing. The company raised funds and listed its stock just months before the crisis erupted. With everyone working remotely, subscriptions to the platform have shot through the rook. The stock, meanwhile, is up 283% since its IPO in October 2019.

In other words, if you invested $1,000 in Docebo stock last year, it would be worth $3,830 today.

Docebo's recent results seem to reflect a resilient business model that could continue to expand even after the crisis and lockdown are over. The platform serves over 2,040 customers and the dollar retention rate is greater than 100%. This means that users are not only loyal to the platform, but are also willing to spend more on it over time.

Meanwhile, 92% of the company's revenue is recurring, which makes cash flow more predictable and allows the team to make long-term investment decisions with conviction. Docebo could continue to expand at this pace for the foreseeable future.

Facedrive

Eco-conscious ride sharing startup **Facedrive** (TSX:FD) has been another impressive IPO this past year. Facedrive stock IPO'ed at $2 in September, 2019. The stock is now trading at $14.66 at writing.

This means that if you invested $1,000 in Facedrive stock last year it would be worth $7,330 today — a massive return over an incredible short time span. In fact, the stock is slightly off its all-time high as I write this. By the end of August, Facedrive stock had delivered a 10-fold return.

Facedrive certainly promises a compelling growth story. By focusing on the carbon footprint of ride shares, the company has differentiated itself from all the other (deep-pocketed) competitors in this space. Meanwhile, it's expanding the platform to offer new services (such as medicine and food delivery) and entering new regions such as the United States and Europe.

Facedrive has plenty of potential. However, investors may have to consider if the stock has already priced in these lofty growth expectations. If the stock is priced-to-perfection, cautious investors may have to look elsewhere for better returns.

WELL Health

Perhaps my favourite growth stock at the moment is telehealth challenger **WELL Health Technologies** (TSX:WELL). WELL Health isn't a recent IPO. In fact, it was listed back in 2016. However, this year the company graduated from the TSX Venture Exchange to the **TSX Index**, which probably counts as a new IPO.

If you invested $1,000 in WELL Health stock at the start of this year it would be worth $4,000 today. However, if you invested at its IPO in 2016, that $1,000 would turn into $58,360 today. That makes WELL Health one of the best-performing tech stocks in the country.

Telehealth, of course, has a much broader runway for growth and traction over the next decade. It's a multi-trillion dollar industry. This week, WELL Health announced its intention to expand services to the most pivotal healthcare market of them all: the United States. This magnifies WELL health's prospects for incredible growth in the years ahead.

CATEGORY

1. Investing

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2. TSX:WELL (WELL Health Technologies Corp.)
3. TSXV:STER (Facedrive Inc.)

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