3 Rundown Stocks That Might Pay Well in the Future

### Description

Not every rundown stock is rundown because of a fundamental financial or management flaw or because it's being smothered by larger, more competent competitors. Many stocks don't see the traction they deserve because they don't yet have the limelight they need to attract a sizeable investor pool. And that's an amazing opportunity.



If you buy them when they are rundown and wait for the market conditions to lean in their favor, you might get unconventional returns and a hefty reward for your patience. But this kind of investment does require a healthy risk tolerance.

## A drone delivery stock

**Drone Delivery Canada** (TSXV:FLT) entered a market that is still in its infancy. Drone deliveries, which a decade ago would have seemed straight out of a science fiction movie, are now becoming relatively common. **Amazon** is working on establishing a viable drone delivery system, but it has yet to become commonplace. Once it does, Drone Delivery Canada stock can really take off.

The stock has already rewarded its investors via two spikes in the past five years. Once was in 2018 when the stock rose over 400% in less than six months. The second was in 2021 when the stock rose above 200%. This lightweight stock (with a market capitalization of just $221 million) can grow in response to any major positive development in the drone delivery market in Canada.

## A real estate agents and managers company

**Real Matters** (TSX:REAL) has been around since 2004, but the company only started trading on the **TSX** in 2017. It didn't even spike after an initial public offering and the only time the stock soared was in 2021, riding the recovery momentum. The store rose about 200% in less than five months. And if you had bought the company in early 2019, you would have had the chance to cash out (at the top) with 800% gains.

So, the stock *has* the potential to rise to great heights under the right market conditions. This U.S.-leaning tech stock offers services to mortgage lending and insurance companies tied to the real estate market. And since it focuses more on the residential market, it might not be a good time to buy it when the housing bubble is ready to burst.

However, once the housing market cools down a bit (or crashes) and enters its “realistic growth” phase, you might consider buying this stock and waiting for it to spike alongside positivity in the housing market.

## A marijuana stock

Marijuana companies like **OrganiGram Holdings** (TSX:OGI)(NASDAQ:OGI) will rise again when the Canadian marijuana industry starts gaining some traction and actually start pushing the black market back. But the stock can also spike if the U.S. cannabis legalization bill passes. Many states have already relaxed their rules about marijuana, especially when it comes to medical uses, and the federal government is expected to announce the happy news soon.

The company focuses on both medical and recreational cannabis and its derivatives. This allows it to capture both markets once there is enough demand or the North American consumer pool suddenly becomes larger thanks to the U.S. legalization. Currently, it’s trading at about one-fourth of its 2019 glory days valuation and is discounted enough to be bought for the eventual rise.



## Foolish takeaway

Each of the three stocks (especially the two tech stocks) is capable of multiplying your capital by a high enough number if the market conditions are right. And if you are not keen on buying these stocks now when the growth prospects are just distant promises, it might still be a good idea to keep an eye on them and make a move as soon as the growth pattern becomes evident.

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