



2 Growth Companies to Watch in September

Description

There are so many exciting growth companies in the market today. It may be difficult for Canadians to decide on which companies they should keep tabs on. In this article, I will present two companies that are in up-and-coming sectors that may lead to very lucrative investments for Canadians.

Changing the way we visit doctors

The COVID-19 pandemic has resulted in many societal changes. One of the most affected industries has been within the healthcare sector. Ever since the outbreak of the pandemic, the importance of virtual care has become very prominent, and companies such as **Teladoc** and **WELL Health Technologies** have seen incredible growth. One company that is showing signs of being a promising contender in this industry is **CloudMD** ([TSXV:DOC](#)).

The company offers an app that residents of British Columbia and Ontario can use to access healthcare providers virtually. Through CloudMD's app, users are able to ask for general medical advice, sick notes, specialist referrals, prescriptions, and more. The company is also placing kiosks in pharmacies across the country that can be used to virtually access doctors online as well.

In its latest earnings report, CloudMD reported incredible growth. Its Q2 revenue was reported at \$2.8 million, signalling a growth of 162% year over year. Most of this revenue growth was generated from medical clinics and pharmacies, which reported a growth of 223%. The SaaS model digital services portion of its business only saw a 35% growth.

CloudMD stock has been very impressive since being listed on the TSX Venture Exchange in June. Since then, its stock has gained 130% and is currently at a market cap of \$188 million. As virtual health continues to [develop in the future](#), we can expect companies like CloudMD to lead the way in Canada.

A new way to conduct deliveries

The emergence of drones in many industries has been one of the biggest developments in the late

2010s. They are being used for everything from marketing videos to surveillance. However, we have yet to see them be used for deliveries. Recently, **Amazon** reported that it had received federal approval to use [drones to deliver packages](#). With that being said, are there any companies in Canada aiming to do the same thing?

Drone Delivery Canada ([TSXV:FLT](#)) has been the Canadian leader in this industry for quite some time. Unfortunately, the company's stock has not been the most successful over time. Since the start of 2018, Drone Delivery Canada has seen a 64% decline in its stock price. Why has the company been struggling?

The biggest hurdle that the company has faced is a large number of regulatory barriers. Drones are not yet a widely accepted method of delivery around the world, and this has restricted the number of routes that Drone Delivery has been able to establish.

Drone Delivery Canada has recently reported a few very exciting pieces of news. In June, the company announced that it had added a second commercial agreement with DSV Canada to conduct healthcare cargo deliveries. In addition, in early July, the company reported that it had commenced the processes required to enter the U.S. as a drone delivery operator.

With these developments by the company, and the recent federal approval obtained by Amazon, the drone delivery industry has gotten a lot more exciting. With no clear competitors in this space within Canada, Drone Delivery Canada could be a very exciting company to watch moving forward.

Foolish takeaway

When looking for growth companies to invest in, it is wise to take note of big trends within society. Currently, telehealth and drone deliveries are among the most exciting spaces to watch in the stock market. This makes CloudMD and Drone Delivery Canada two very exciting companies to watch in the future. While both would certainly be considered speculative investments at the moment, if either are successful, investing early in these companies could prove to be very lucrative for Canadians.

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TICKERS GLOBAL

1. TSXV:DOC (CloudMD Software & Services Inc.)

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