



Solium Capital Continues to Grow

Description

Solium Capital (TSX:SUM) was profiled in a [recent edition](#) of our free weekly newsletter, Take Stock. ([click here](#) to sign up and have future editions delivered right to your inbox)

The company reported its quarterly results recently and an update is warranted given the 16% move the stock has had since our profile appeared.

What attracted us to Solium is the unique product that it offers and the seemingly endless opportunity the company has to disrupt the industry that it's in. And though the second quarter was relatively benign, nothing in the company's release has altered these qualities.

Even though Solium's recent U.S. acquisitions caused a drag in the quarter as they are being integrated into the company's platform offering, nice year over year growth was still achieved.

Revenues increased by 31% over the Q2'12 and diluted earnings per share jumped 173% over the same period (in adjusted terms).

The drag caused by these integration and strategic initiatives was nicely offset by increased activity on the company's trading platform.

With little need to spend much on capital expenditures, Solium's business model is well suited to free cash generation and indeed, the cash balance has climbed to more than \$17 million. The balance sheet is debt free and Solium is well positioned to continue tacking on additional services to its already industry leading offering through acquisition.

The Foolish Bottom Line

Solium's future is not to be judged on a quarter by quarter basis as this is a company that is set to evolve over the long-term. Pull backs are likely to be part of the ride. However, it's nice to see that all arrows relating to the company's fundamentals continue to be pointed in the right direction. Up!

Though we like Solium, it didn't quite make the cut for our recently released top Canadian small cap

stock for 2013 – and beyond. To find out which company beat it out, simply [click here now](#) and download our **FREE** profile.

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Fool contributor Iain Butler does not own shares in any company mentioned at this time. The Motley Fool doesn't own shares in any of the companies mentioned.

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