



As the Wild Ride That Is Bitcoin Continues, Uncover Real Value in This Undervalued Stock

Description

Do you remember where Bitcoin was trading at the end of last year?

If we take our eyes off the charts even momentarily, we can easily lose track, given the [heightened volatility](#) that reminds me more of a day at the blackjack table than an investment market.

In case you don't remember, Bitcoin was trading at just over \$20,000 after soaring from less than \$2,000 at the beginning of 2017 for an astonishing one-year return of 900%!

But Bitcoin is not for the faint of heart. And it is not for those investors who are looking to invest. Investors must make decisions based on fundamentals.

As it goes, what goes up must come down. Today, Bitcoin is trading at \$8,500 for a year-to-date loss of 58%. Where it goes from here, I won't even try to guess.

I will instead point you to **Uni Select Inc.** ([TSX:UNS](#)), a stock that has fallen from its highs and is 28% lower than levels it was at one year ago.

Uni Select has had its share of setbacks in recent quarters.

Third-quarter results were disappointing, with EPS of \$0.36 coming in below expectations of \$0.41 and below last year's levels, and organic growth has been a struggle.

And with the acquisition of The Parts Alliance, a U.K. leader in the distribution of automotive aftermarket parts, the company's balance sheet took on an additional \$263 million of debt, leaving it quite heavily indebted. But with the synergies that will come from the integration of this acquisition, we can expect balance sheet and margin improvements.

Free cash flow in the quarter was \$35 million for a free cash flow yield (free cash flow/revenue) of 9%. A very strong result that is evidence of the quality of this business.

The company has made over 70 acquisitions of various sizes over the last 10 years, and it has been very successful in the integration of these acquisitions, so I believe the company will be successful in consolidating the latest acquisition and future acquisitions.

The track record of this company is exceptional, and this is a key factor contributing to the quality of this stock.

In summary, both Bitcoin and Uni Select have been hit hard this year. The difference is that one (Uni Select) is a great [buying opportunity](#) at these levels, and the other (Bitcoin) is a falling knife that I would steer clear of, as there is no real way to fundamentally value it, and it is more of a play on investor sentiment.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:UNS (Uni-Select)

PARTNER-FEEDS

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Author

karenjennifer

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