



The World Is Going Digital and This Fintech Stock Is on Sale

Description

Identifying early market trends is an excellent way to secure high returns and beat the index over the long-term. That said, in today's world, demand for physical cash is diminishing with the rise of secure, high-tech payment solutions. As the global payment industry is shifting from traditional methods to innovative digital technologies, companies operating within this sector provide an appealing investment opportunity to those willing to take on some risk.

Although larger institutions are likely in the lead in terms of broader product development, smaller, niche firms with high-user growth rates can deliver strong platforms with room for advancement. One truly unique company that is attempting to capitalize on innovation is **Goldmoney** ([TSX:XAU](#)).

This Toronto-based financial services company has a market cap of \$120 million, providing investors with a new way to gain exposure to precious metals and crypto currencies through its patented platform. Managed by a team of seasoned entrepreneurs, Goldmoney has the potential to be a successful player in the growing digital payments market.

The company provides a suite of services including: precious metals custody, trading and execution, card services, exclusive research, and pension accounts. A notable element of Goldmoney's prepaid cards is that they provide a low-fee hedge against foreign-exchange risk.

More important, the prepaid cards have free FX conversions and can be used anywhere credit cards are accepted. The Goldmoney prepaid card does [not operate on credit](#) like **Visa** or **Mastercard**, but is loaded by converting metal holdings to U.S. dollars, euros, pound sterling, or Swiss francs.

Where is the share price today?

Goldmoney stock is currently trading near a 52-week low at an approximate discount of 80% from its all-time high. With the current state of market volatility, Goldmoney is worth assessing as a potential value play. Markedly, Goldmoney's stock is trading at roughly book value and could be due for an upward shift if management can improve profitability and enhance earnings.

Both the company's operating and profit margins were negative in fiscal 2017, which can largely be

attributed to the high operating costs of the business. Goldmoney generated \$526 million in revenue but a mere \$8 million in gross profit to end 2017. With these razor-thin margins, Goldmoney must secure sales growth to optimize performance, enhance overall earnings potential, and unlock long-term shareholder value.

On a year-over-year basis, the Goldmoney team has [secured increased revenues](#), but the pace slowed down in 2018, which may have swayed investor confidence. In addition to slower revenue growth the company increased its debt position by a sizeable margin. These two factors accompanied by weak commodity prices could provide reasons behind the plunge of Goldmoney stock in 2018.

Why does Goldmoney have upside?

For contrarian investors, libertarian thinkers, and students of Austrian economics, Goldmoney may seem like an attractive service provider. However, the long-run success of the company is contingent on growing the customer base in a low fee environment while maintaining the highest level of customer service. If the management team is successful, Goldmoney stock could vault upward and secure a prosperous turnaround.

CATEGORY

1. Bank Stocks
2. Investing
3. Metals and Mining Stocks
4. Tech Stocks

TICKERS GLOBAL

1. TSX:XAU (Goldmoney Inc.)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Bank Stocks
2. Investing
3. Metals and Mining Stocks
4. Tech Stocks

Date

2025/07/27

Date Created

2018/12/18

Author

thoy

default watermark