



A Premier Cash Cow to Buy and Hold Forever

Description

I've been pounding the table on **Tucows** ([TSX:TC](#))([NASDAQ:TCX](#)) stock ad nauseam over the past year, touting the company's above-average growth profile and its underappreciated foundation in its domain business.

"Tucows may have a handful of issues, but the business isn't broken. Not even close," I said [back in November](#). "Given the company's relatively low-risk growth profile through Ting, its rock-solid foundation in its domain business, and company's high degree of agility as a small firm, I'd strongly urge investors to go long as short-sellers continue to drag the stock down into oversold conditions."

Now that the stock has soared 80% from its November 2018 low, around the same time I encouraged investors to back up the truck on the stock in spite of the "cry wolf" short report that was issued by Copperfield Research, the stock definitely appears fully valued, even rich at over 40 times trailing earnings.

While Tucows stock definitely deserves a fat premium for its lower-risk, high-growth profile, investors who are enticed may want to nibble away at the stock rather than backing up the truck, as I suggested late last year while shares were consolidating in a channel.

The shorts have backed off for now, and the company is firing on all cylinders with Ting and its Fibre rollout. Fellow Fool contributor Will Ashworth and I have both been raging bulls on Tucows over the past year because of Ting and the massive low growth there was to be had. Indeed, Ting has found its niche in its markets of interest (Colorado, Maryland, Idaho, and North Carolina), and it's building a moat around it, rather than biting off more than it can chew or spreading itself too thinly across too many locations.

That's a huge reason why Tucows has enjoyed its impeccable double-digit ROE numbers. Ashworth noted that Ting isn't trying to take over the country as so many big-league telecoms are, and that's an advantage for investors as the company is more agile and can focus on operating in the most efficient manner possible.

Tucows is a [small-cap gem](#) buried beneath the dirt, plain and simple. While the price of admission has

gone up significantly over the past few months, I still think it's a good idea for long-term thinkers to at least get some skin in the game today.

The growth story is far from over, but over the near term, I think a pullback may be in order. This is a pullback that you'll want to double -down on.

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Author

joefrenette

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