



Forget Coinbase! This TSX Growth Stock Is a Better Bet

Description

The crypto-mania continues to enthrall investors in 2021, as the price of Bitcoin touched record highs last week. **Coinbase** ([NASDAQ:COIN](#)) was also the first cryptocurrency platform that listed its shares publicly on a leading exchange.

Coinbase is a company valued at a market cap of \$60 billion and is currently trading at a price of US\$322 per share. It touched a record high of US\$429.5 in intraday trading last week.

Coinbase is a market leader

Coinbase has over six million monthly transaction users and around US\$233 billion worth of assets on its platform. This indicates it has a market share of 11.3% in the cryptocurrency trading segment. Coinbase derives a major portion of its revenue via trading fees that accounted for 96% of total sales in 2020.

Trading fees are directly proportional to the trading volume on the Coinbase platform. So, when Bitcoin prices move higher, trading fees will witness a significant uptick as investors will look to add digital assets to their portfolios. Alternatively, Coinbase will also experience a decline in revenue when markets turn bearish.

In Q1 of 2018, trading volume on Coinbase stood at US\$56 billion. While Bitcoin prices declined by 90% in the next year, trading volume fell to just US\$7 billion in the first quarter of 2019.

Coinbase expects revenue in Q1 of 2021 to rise by a stellar 844% to US\$1.8 billion compared to US\$191 million in the prior-year period. It has also forecast net income between US\$730 million and US\$800 million in Q1. Comparatively, Coinbase sales stood at US\$1.3 billion in 2020 and in 2019 this figure was US\$533.7 million. The company's EBITDA also rose from US\$24.3 million in 2019 to US\$527 million in the last year. In Q1 of 2021, Coinbase has forecast EBITDA at US\$1.1 billion, indicating a healthy margin of 60%.

Coinbase stock is expected to remain volatile in the near term, as investors try to make sense of its

valuations. One of the [biggest risks associated](#) with Coinbase is the high fluctuations in Bitcoin and crypto prices. In fact, Bitcoin has lost over 90% in market value multiple times in the past, which will impact Coinbase sales as well. For example, cryptocurrency prices were down 60% in 2018. Comparatively, Coinbase sales fell 50% in this period.

Docebo stock is an ideal long-term bet

While the revenue of Coinbase is directly related to the cryptocurrency market, investors with a lower risk appetite can consider **Docebo** ([TSX:DCBO](#))([NASDAQ:DCBO](#)). This is an [enterprise-facing, e-learning company](#) that has outperformed broader markets since it went public back in 2019.

Docebo stock has returned 267% since its IPO. Despite its market-beating gains, the stock is trading 30% below its record high, giving investors an opportunity to buy a growth stock at a lower multiple.

Docebo continues to acquire clients at a fast clip, allowing it to grow its top line and trade at a steep valuation. Analysts expect Docebo revenue to grow by 48% to US\$93 million in 2021 and by 35.6% to \$US126 million in 2022. This will help the company narrow its earnings per loss from US\$0.26 in 2020 to US\$0.02 in 2022.

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2. NASDAQ:DCBO (Docebo Inc.)
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