

Why Mogo (TSX:MOGO) Stock Jumped 20% Today!

## **Description**

Mogo (TSX:MOGO)(NASDAQ:MOGO) shocked investors on August 11 after the fintech company had a positive earnings surprise. Shares of the company jumped over 20% in early morning trading, with management announcing an extremely positive outlook. So, let's dig into what's happening with Mogo lefault water stock for Motley Fool investors.

# What happened?

Mogo stock reported a number of positive points on its earnings report Wednesday. The company announced a revenue increase of 29% year over year, with subscription and services revenue growing 81% in that time! This hit a record of \$8.2 million and represented 60% of total revenue.

It also achieved record gross profit of \$12.1 million, and an adjusted EBITDA gain of \$5.2 million. This compared to a loss of \$3 million last year. Much of this was thanks to the new MogoTrade app, and sales and marketing investments. Mogo stock ended the guarter with \$75.8 million in cash, investments, and digital assets. And that doesn't include the \$110 million investment in Coinsquare.

# So what?

The biggest positive here is that analysts believed there would be a *loss* for Mogo stock, not such positive news. Revenue was expected to be around US\$8 million, and the stock almost doubled that amount. They also expected a loss around 400%! That's not record profit — that's for sure.

The surprise caused shares to soar 20% in early trading. Yet investors have a lot more to look forward to, according to management. Mogo stock made strategic investments and acquisitions this year, and this has bolstered its plans for the money app. It still has pending acquisitions, and MogoTrade app is due to be live by the end of this year. All this states the company should continue to rise up and up.

# What now?

That's exactly what management believes will happen. Mogo stock raised its guidance for subscription and services revenue to between 100% and 110%! That's compared to the 80-100% predicted before. This comes as the company sees memberships continue to increase — up 63% year over year to just shy of 1.7 million members.

Coinsquare is a huge part of this, with Mogo stock allowing subscribers access to cryptocurrency through its app. It also has access to FSInsight LLC, a research firm that provides research on equities and cryptocurrency. All of this, coupled with its acquisitions and partnerships, has Mogo stock believing it can achieve total revenue of between \$70 and \$75 million for 2022.

Shares in Mogo stock are up 192% in the last year, as of writing. Analysts believe it has a potential upside of 67% for the next year, and beyond that, who knows? This is also before many of come out with upgrades or downgrades. The company continues to be a "buy" or "strong buy" among analysts, making it a top stock to consider for those looking to gain access to cryptocurrency.

Shares of the stock remain under \$10. So, now might be the only time Motley Fool investors get to pick Mogo stock up on the cheap. A year from now, the stock could very well double. And beyond that, it could become an <u>epic multi-bagger</u> you won't want to miss out on. **CATEGORY** 1. Investing 2. Tech Stocks **TICKEPS GLOBAL** 

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