



Millennials: 1 Tech Stock Could Deliver a 160% Return on Investment

Description

A new breed of retail investors popularized meme investing and created a frenzy in early 2021. Younger investors, not seasoned traders, jumped on the bandwagon, hoping to make a quick buck. However, most of them didn't take an extra step to analyze whether it's [worth investing](#) in distressed companies like **GameStop** and **AMC Entertainment**.

The fear of missing out (FOMO) on the ride prevailed and caused the share prices of meme stocks to explode. While many investors made lots of money, others incurred enormous losses on their risky bets. But one hard lesson from the hype is that millennials must take control of their emotions and make [well-informed investment decisions](#) only.

Since the younger generation's preference is the personal finance industry, **Mogo** ([TSX:MOGO](#))([NASDAQ:MOGO](#)) is becoming increasingly popular with millennials. At \$5.11 per share, the trailing one-year price return of the Canadian [technology stock](#) is 160.71%. Also, market analysts recommend a strong buy rating. They forecast an upside potential of 164.19% to \$13.50 in the next 12 months.

Past and future earnings

Mogo soared to as high as \$14.35 on March 19, 2021, although it wasn't on the radars of Reddit traders. **BlackBerry** was the Canadian stock on their buy lists. Still, had you invested \$5,000 in Mogo a year ago, your money would be worth \$12,904.04 today.

Assuming the analysts' forecasts are accurate, a \$5,000 investment today could grow to \$13,209.39 in one year. Remember, this \$390.58 million company is cross-listed on the NASDAQ. According to Mogo's president and chief financial officer Greg Feller, the listing in the U.S. provides increased visibility with American investors. Besides improved liquidity, Mogo has a more diversified shareholder base.

Exposure to the fintech market

Mogo is well positioned to capitalize on the ever-growing demand for financial solutions. Millennials should find this tech stock attractive, because it helps educate and improve financial health. The platform isn't limited to younger users. Anyone can have access to personal loans, mortgages, and other financial products, including cryptocurrencies.

Mogo boasts a purpose-built platform that delivers a best-in-class digital experience, with best-in-class products all through one account. In the home country, management's goal is to become the "go-to" financial app for the next generation of Canadians.

The addressable market is huge, and Mogo is just scratching the surface. Revenue growth is accelerating, as evidenced by the Q2 2021 earnings results. Its member base grew 63% to 1,695,000, while the transaction volume of Mogo Card alone climbed 1,660% year over year.

More importantly, Mogo reported \$6.22 million in net income in the six months ended June 30, 2021. The company's net loss in the same period last year was \$11.61 million. Mogo's founder and CEO David Feller said, "In 2021, through strategic acquisitions and investments, we have accelerated our plans to build the most comprehensive money app in Canada."

He added that the range of mobile-first solutions should "help Canadians borrow, save, invest, and build wealth." Management expects to hit a 100% to 110% subscription and services revenue growth in Q4 2021. In the first half of this year, total revenue was \$25 million, but Mogo projects it to be between \$70 and \$75 million in 2022.

Considerable windfall

Mogo's growth runway is long, and the potential windfall is considerable. Unlike typical meme stocks, this Canadian fintech company has solid fundamentals. You're not investing blindly.

CATEGORY

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2. Tech Stocks

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