



1 Stock That Could Make You Rich in a Stock Market Pullback

Description

Key points

- Should the market pull back, short-term fear can get in the way of long-term gains for prime companies.
- The perfect example of this is fintech leader **MOGO** ([TSX:MOGO](#))([NASDAQ:MOGO](#)), a stock that crashed during the pandemic, only to achieve record numbers.
- MOGO stock continues to be a solid option based on organic and acquisition growth for Motley Fool investors.

The **S&P/TSX Composite Index** looked to rebound this week after two weeks of falling. Inflation fears and raising interest rates had many in the world fearing another market crash. And in the case of many stocks, one almost happened.

However, the TSX today [rebounded](#) right back to all-time highs once more. And sure, many are likely breathing out a sigh of relief. But I wouldn't be so quick to sit back and relax.

The questions that came up during this pullback definitely raised a few concerns — concerns that haven't gone anywhere. Instead, it's likely a solid time to look at a watchlist for potential stocks that could be solid investments during another stock market pullback.

There is a lot of volatility today, but amid that volatility are strong companies for long-term investors. One I would recommend should the market crash again, is MOGO.

Some background

When the TSX today collapsed during the pandemic market crash in March 2020, MOGO stock fell along with it. Despite only being on the market less than a year, the tech stock crashed by 75%. Tech stocks were [trashed](#), as fears loomed over what the future of this volatile industry might mean.

However, since that market crash, shares of MOGO stock have absolutely exploded. Today, shares are up 700%. If you look at all-time highs, shares climbed over 1,600% before coming back down to earth.

Now, I'm not saying this is a get-rich-quick scheme. In fact, here at the Motley Fool, we don't recommend the short-term investment that seems popular among meme stocks. Instead, in the case of MOGO stock, we want to zoom in to the company's fundamentals and remain *calm*.

During its latest earnings report, MOGO stock reported a revenue increase of 29% year over year. Subscription and services revenue also grew by a whopping 81% year over year, accounting for 60% of its total revenue (and that's recurring, by the way). It also saw a record gross profit of \$12.1 million for the quarter.

Management also increased its outlook for fiscal year 2022 based on the strong [growth](#). Year-over-year growth is expected to reach 100-110% in subscription and services revenue — a jump from 80% to 100%. Further, total revenue should reach between \$70 and \$75 million for FY2022.

How it'll get there

How will MOGO stock achieve these goals? It's not by not just being in the right industry at the right time during a market crash, though it is. The company is expanding. Its user-friendly financial tools, stock trading app, and investment in Coinsquare all garner attention for investors. Customers can use it to learn about finances and then invest in anything, including Bitcoin.

The company now boasts a market cap of \$474 million as of writing, with its member base growing by 63% during the last quarter. Its MogoCard transactions increased by an insane 1,660% year over year and continues to make strategic acquisitions to grow within the cryptocurrency and fintech spaces.

But look, shares are up 700%, as I've said. So, should you invest? In my humble opinion (and those of analysts), yes. MOGO stock would benefit well should the market pull back. Users want to learn how to protect themselves from a market crash and how to benefit from it. That puts the company in a prime position.

Furthermore, analysts believe that despite recent growth, MOGO stock has a potential upside of 100% during the next year! That helps from such a low share price of just \$6.75 as of writing.

Bottom line

With earnings set to continue soaring in the near and far future, MOGO stock could continue climbing at record rates for the next year and beyond. So, frankly, market crash or not, this is a solid investment. And with a price-to-book ratio of just 1.7, it's a solid option for your portfolio as well. Rather than worry about short-term investing, buying up MOGO stock would be a great option today, especially if you hold long term — an option that one day could make you rich.

CATEGORY

1. Investing

2. Tech Stocks

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1. Editor's Choice

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Author

alegatewolf

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