Why Groupon Stock is a Strong Buy

Los Angeles, Apr 10, 2020 (Issuewire.com) - Groupon (NASDAQ:GRPN): GROUPON, INC. is the leader for coupons and deals where consumers look to save money.

Groupon (NASDAQ:GRPN) is a strong buy. The stock closed yesterday at $0.83. Groupon is in a key position to offer bargain deals on consumer goods with Groupon Goods due to the state of the current economy with the Coronavirus. Consumers are fearful of a recession and Groupon is in a sweet spot as buyers will continue to snap up deals.

Groupon announced a few months ago they were looking to exit the Groupon Goods business and offer customers deals for travel and restaurants. With the current pandemic of COVID-19, restaurants and travel across the U.S is shutdown. Restaurants have either closed or are going out of business permanently. Eventually, when there is a recovery, many of the restaurants that have survived may have tough time re-opening.

Travel will have a slower recovery because of the recession. Consumers will not go on vacations as much because income has been reduced. The airlines and hotels are suffering. Businesses are using virtual technologies to hold business meetings and will continue to do for social distancing as well as to save costs. People will not be attending concerts and sporting events anytime soon. Consumers will look for things for the home, inexpensive deals on gifts for birthdays and holidays.

The merchants that sell Groupon Goods will be a valuable asset to Groupon and their customers helping to lead the stock higher over the next couple of months or longer. Groupon has a chance now to deliver high gains.

Groupon has a lot of cash on hand. The company has a market cap of $1.7 billion.

Positions in Groupon Inc. stocks held by institutional investors increased at the end of February and at the time of the February reporting period, 87 institutional holders increased their position in Groupon Inc. [NASDAQ:GRPN] by approximately 30,969,773 shares.

Operating margin are indicative of how profitable investing would be. Groupon Inc. [GRPN] shares currently have an operating margin of +1.79 and a Gross Margin at +50.93. Groupon Inc.'s Net Margin is presently recorded at -1.13.

UBS recommends the stock a Buy, with their previous recommendation back on January 17, 2020, and with a target of $3.20.

Largest shareholders include Par Capital Management Inc, Vanguard Group Inc, Alibaba Group Holding Ltd, BlackRock Inc., MIG Capital, LLC, First Trust Advisors LP, FDN - First Trust Dow Jones Internet Index Fund, P2 Capital Partners, LLC, Nuveen Asset Management, LLC, and VTSMX - Vanguard Total Stock, and Market Index Fund Investor Shares.

22.57% % of Shares Held by All Insider

74.73% % of Shares Held by Institutions

96.51% % of Float Held by Institutions

239 Number of Institutions Holdings

The company had a Q4 gross profit of $310 million, and $1.2 billion profit for FY2019. Q4 income from continuing operations was $79 million, and for the FY2019, a $14 million loss was registered.

There have been a lot of changes at Groupon. The Board of Directors has appointed Aaron Cooper as interim CEO to replace Steve Krenzer, former CEO and Rich Williams, former COO. They will remain on employees of Groupon but in what capacity, it is still unclear.

Aaron Cooper is highly qualified to take the company to greater heights and lead Groupon for a turnaround. Having been with Groupon for ten years, his background is impressive. Aaron's roles have been pivotal in the success of many companies. He was EVP Marketing for optionsXpress, Group Vice President, Online Marketing Orbitz/Cheaptickets, Marketing Analysis, America Online, and Consultant, Price Waterhouse Management Consultants to name a few.

Chairman Eric Lefkofsky said: "Aaron headed our North America business and is well-positioned to take on the CEO role at Groupon, as we conduct a full process to install a permanent successor. We have a deep bench of senior talent and the team is intensely focused on executing against our strategy during this unprecedented moment in time."

Groupon has far better valuation then ETSY who is currently trading over $50.

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