Bitcoin ATM Companies As Investments

By: www.ProfitableInvestingTips.com

A new wrinkle in the world of cryptocurrencies is the Bitcoin ATM machine. A standard ATM machine has the potential to make between $450 and $750 a month providing that the machine is accessible twenty-four hours a day and seven days a week. A **daily gross profit** of $15 to $25 is usual according to Lieberman Companies. According to *CoinATMRadar*, a Bitcoin ATM has the potential to make up to **$3,000 a month** on gross revenue of $30,000. Does this mean that Bitcoin ATM companies as investments are a good idea?

Public Listing of Bitcoin Depot

There are about thirty-eight thousand Bitcoin ATM machines in the world. Roughly twenty-six thousand are owned by the top ten companies. The company that leads the pack is Bitcoin Depot with more than seven thousand machines and **seventeen percent** of the total market according to *CoinATMRadar*. According to *The Wall Street Journal* the company is set to list publicly via a SPAC (special purpose acquisition company). The SPAC, GSR II Meteora Acquisition Corp., values Bitcoin Depot at about $885 million. The question for investors is just how well this sort of company will do in an era when Bitcoin value has slid by 70% and may fall even further in the months ahead.

How Do Bitcoin ATMs Work?

A Bitcoin ATM is not a cash machine where you get dollars from your Bitcoin account. Rather it is a place where you can buy Bitcoin for cash, send Bitcoin elsewhere in the world, or pay for things with Bitcoin. Our longstanding concern with cryptocurrencies in general has been that they have been so speculative with little fundamental basis for their value. Unlike Bitcoin itself, a Bitcoin ATM company has the potential to make money providing practical services. As such, when Bitcoin Depot is a publicly traded company investors will have a basis for determining its **intrinsic value**. A concern about Bitcoin ATM machines is that they may be used by criminals to launder money.

A concern voiced by legal users of these machines is that they are expensive to use. For the interested investor, it would appear that Bitcoin ATM machine companies may be profitable long term investments.

How Do Bitcoin ATM Companies Make Money?

Successful long term investors like Warren Buffet only invest in companies when they understand how the business plan of that company will result in steady profits for years and years. While Bitcoin itself could recover or continue to fall in value, a Bitcoin ATM business like Bitcoin Depot will continue to make money as customers use their machines to buy Bitcoin, send Bitcoin, or purchase with Bitcoin no matter what the value of Bitcoin is. Bitcoin Depot has expanded its services to include Ethereum, Bitcoin Cash, and Litecoin. The company has yearly revenue of just over $34 million a year. Its revenue depends on people using their

machines and not on the health of the cryptocurrency market. Like during the days of the California Gold Rush when you could reliably make more money selling picks and shovels than by digging for gold, a company that provides a service with tangible value is more likely to be profitable over the long term than one that relies on Bitcoin and the rest steadily increasing in value over the years.

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