



## Amaya Inc.: A Great Investment at a Bargain Price

### Description

The current market slump has made a number of companies available for what seems like significant discounts. One of those companies is **Amaya Inc.** ([TSX:AYA](#))(NASDAQ:AYA).

Amaya is a technology-based software company that focuses on the gaming and interactive entertainment industry. Among the brands within the Amaya portfolio are the PokerStars, Stars Draft and Poker Tour Series.

The stock dropped nearly 30% towards the end of 2015, and year-to-date the stock has followed the market and dropped a further 18%. Amaya currently trades at \$14.40.

Despite losing over 50% value in the past three months, the stock still remains one of the best options on the market and can now be purchased at better-than-bargain prices.

Let's take a look at why this is the stock you should be adding to your portfolio for long-term growth.

### New markets and new games

Amaya is operating under only a handful of state markets in the U.S., but has applications pending in several states that would allow residents to play games and allow the state governments to get some added revenues for the coffers.

Some of the states where applications are pending are Pennsylvania, Delaware, Nevada, and California. Late last year Amaya was granted approval to operate in New Jersey, with re-entry into that market scheduled to occur within the next few months.

Amaya is also expanding the sports betting brand. The BetStars game will include a new Spin & Bet option, which adds a secondary gambling twist to the game. Players now have the option to place an additional bet that enables a potential multiplier payout over their winnings as high as 10 times the amount of any potential winnings from the original bet.

The new offering is a variation of a similar offering already included in PokerStars.

### **Amaya has results that speak for themselves**

During the last quarter Amaya provided an estimate for 2015, forecasting a decline in revenue, which the company claimed was attributed to the strong U.S. dollar, which caused the purchasing power of Amaya's customers to drop. Despite this, revenues and profits are still strong, and the company has impressive long-term growth prospects.

The upcoming quarter will likely spell equally mixed, yet positive results. The company recently announced a modification to the full financial guidance that was initially reported back in November. The new expectation with this latest update is that Amaya expects revenues, adjusted EBITDA, and earnings per share to fall within the upper band of the previous guidance ranges. The adjusted-net-leverage ratio is expected to be in the lower guidance range.

As Amaya continues to expand into new state markets, the potential revenue opportunities for the company, particularly when looking at the long term, are immense. In my opinion, Amaya is one of the best opportunities on the market right now.

### **CATEGORY**

1. Investing
2. Tech Stocks

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