



3 Ways Amaya Inc. Shareholders Could Earn a Big Return

Description

On Monday **Amaya Inc.** ([TSX:AYA](#))(NASDAQ:AYA) reported that it had hired a special financial advisor in the wake of CEO David Baazov's intentions to bid \$21 per share for the company. So even though Mr. Baazov has made no formal bid, clearly this is a serious matter.

That being the case, it is not too late to buy Amaya shares. Below are three ways that the stock could increase even further.

1. The transaction goes through

Even though Mr. Baazov has made his intentions very clear, investors aren't buying it. The company's Canadian-listed shares still only trade for \$18.50 as of this writing, meaning that shareholders would make more than 13% on their money if the deal goes through. That's not bad for such a short time frame.

Importantly, Mr. Baazov clearly believes that Amaya is worth more than \$21 per share. In fact, he has already made purchases at about those levels. So it's very unlikely that this is a bluff.

2. Another bidder emerges

Soon after Mr. Baazov's intentions were announced, *The Business News Network* reported that one prominent shareholder thinks that \$21 per share is far too low, and that there's no chance of a deal being done at that price.

That said, the shareholder does think that a deal will get done. And there are plenty of other suitors that would love to acquire the PokerStars franchise. For example, a European online gambling operator would love to pitch their offerings to the poker players on PokerStars or even integrate other forms of gambling (such as sports betting or casino games) into the PokerStars software. A bidding war could easily ensue.

3. The company realizes its potential

Despite some recent setbacks, PokerStars remains extremely valuable, and this value is not reflected in the current share price or even in Mr. Baazov's bid.

There are a couple of key things to remember here. First, PokerStars has roughly 70% market share worldwide, which allows the company to offer the most games and biggest tournaments. This makes life very difficult for smaller competitors. Secondly, Amaya is only starting the roll out of its sports betting and casino games franchises. And finally, the U.S. market is slowly opening up—there was even a big development in New York State after Mr. Baazov made his intentions known.

So even if Mr. Baazov and Amaya can't come to terms, shareholders should not despair. It might just be the best long-term outcome.

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