



Amaya Inc. Is the Real Winner of Euro 2016

Description

Amaya Inc. ([TSX:AYA](#))(NASDAQ:AYA) has always been considered one of the few companies with a huge amount of untapped potential. While the company has had more than its fair share of issues over the past year, the company financials remain sound and the business model remains as lucrative as ever.

The company is a technology-based software company focused on the gaming and interactive entertainment industry. Simply stated, Amaya has a plethora of online betting and gaming platforms that are available in a growing number of markets worldwide.

Earlier this year, Amaya was granted approval to operate in New Jersey. In the first full month of operation, Amaya's PokerStars captured a whopping 46% of the online poker revenue in that state. The company still has a handful of other state applications in various stages of approval, which could see the company branch out into other areas.

Amaya—not a national team—will win the Euro 2016

Euro 2016 is a soccer competition that is held every four years in Europe, where the 24 best teams battle it out over the course of a month to gain bragging rights as the best in Europe before the next competition. The competition itself runs until July 10 and is the second largest in terms of viewers after the World Cup, attracting a massive following and with near-feverish potential in terms of online betting.

Sports betting enjoys a massive following with a market size between \$700 million and \$1 trillion annually. Of that figure, nearly 70% comes from football betting (or, as we call it in North America, soccer). While Amaya has been rolling out new games and new markets, the Euros represent a massive opportunity for the company to capitalize on an event that occurs just once every four years.

This year's competition is being hosted by France, and Amaya reached out the French regulator ARJEL to gain the necessary regulatory approvals to offer online gaming and betting services in that country. Amaya eventually got the approval with time to spare. Amaya has also been granted licenses to operate in Italy, Spain, and the U.K. Applications in Portugal and Russia are in progress as well.

Revenues from the French betting market are estimated to be in excess of \$100 million in just a single quarter. Wagers from the Italian and U.K. markets will garner even more. Even if Amaya were to take a small slice of this revenue pie, the amount would be huge for the company.

Better still is the fact that Amaya is not strictly looking at sport betting. There is a natural crossover between sport betting and other games that Amaya offers, such as poker betting.

Amaya currently trades at \$18.90, and the stock is up by 17.4% in the past month. Year-to-date, the stock is up by 8.4%, owing in part to the roller-coaster news that the company has been subject to over the past few months, including charges being laid on the former CEO and an ongoing legal case being appealed in Kentucky. Neither of these have impacted the performance of the company, which is sound and increasing by the quarter.

In my opinion, Amaya remains a great opportunity for those investors looking to add a technology company that has huge growth potential to their portfolio. Amaya is still relatively underpriced for the value and growth that the company offers.

CATEGORY

1. Investing
2. Tech Stocks

POST TAG

1. Editor's Choice

Category

1. Investing
2. Tech Stocks

Tags

1. Editor's Choice

Date

2025/08/01

Date Created

2016/06/15

Author

dafxentiou

default watermark

default watermark