



Bet on Amaya Inc. for Future Growth

Description

Most investors fail to realize that **Amaya Inc.** ([TSX:AYA](#))(NASDAQ:AYA) may just be one of the most lucrative offers on the market right now. For those who are unaware, Amaya is a software company focused on the gaming and interactive entertainment industry, or, in other words, online gambling.

Experts agree that the company is one with a huge amount of untapped potential that could propel it to new heights over the long term. Here's a quick look at Amaya and why investing in the company is the right thing for your portfolio.

Amaya has a high-demand product in a growing number of markets

Simply stated, Amaya's online-betting platforms provide strong revenues in an ever-growing number of markets around the world. To operate in those markets, Amaya typically needs to obtain necessary regulatory approvals, which can often involve months of waiting.

Sometimes the wait can be worth it.

Earlier this year Amaya was granted approval to begin operating in New Jersey. In the first full month of operation, the company took the lion's share of online poker revenue in the state—an incredible 46%. Additionally, Amaya has pending applications in several other states that could translate into as good as or better results for the company.

Sports betting is another segment of the online gaming industry that has a massive following. With an estimated market size up to \$1 trillion annually, online sports betting is huge. Roughly 70% of this market potential is attributed to soccer betting, which enjoys a near-feverish following in Europe.

Amaya has already been introduced to the European market; the company was granted the necessary regulatory approvals to offer online gaming and betting services in Italy, Spain, France, and the U.K. Additional applications in Portugal and Russia are in progress as well.

If this were not reason enough to consider the company for your portfolio, know that that both sport betting and online gambling are not mutually exclusive; there's an organic crossover between the

games that Amaya offers, and the players of one can and often do cross over into the other, leading to more revenue for the company.

Is Amaya a good investment?

Amaya currently trades at just over \$20, up an impressive 20% year-to-date. The stock is down by over 30% for the full year, however, which is a result of the numerous issues the company has dealt with over the past year. These include an ongoing appeal in a Kentucky court, problems with the former CEO, and insider-trading allegations.

Those ongoing issues may strike a dent in the stock price of Amaya over the short term, but the long-term prognosis for the company looks a lot brighter. The company continues to offer a high-demand product that is increasingly being offered to more markets across the globe.

In my opinion, Amaya is a long-term stock to hold for investors who can withstand the short-term issues surrounding the company, of which there are many. Those issues may drive the price down in the more immediate term, but over the long term, the company looks like a solid investment.

CATEGORY

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2. Tech Stocks

POST TAG

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