



Amaya Inc. Gets a New Name and New Target Market for Expansion

Description

Amaya Inc. ([TSX:AYA](#))(NASDAQ:AYA) has finally put a lot of the previous controversies to rest and is looking only at the future, which is bright.

That's the overall message that is evident in the new announcements coming from the company.

A difficult year stays in the past

Amaya has been through a roller-coaster ride of changes in the past year. The company lost former CEO and company founder David Baazov who resigned over securities-related charges brought forward last year. Prior to that, there was talk of taking Amaya private, and a deal by Baazov himself was eventually rejected.

Amaya was also the subject of a merger with U.K.-based William Hill PLC, but that deal also fell through when both parties walked away from the table.

Amaya CEO Rafi Ashkenazi noted that those difficulties are going to remain in the past and Amaya will forge forward, starting with a new name which was approved at the company's annual meeting.

The new name, "The Stars Group," will take effect in August; the company's ticker symbols will change, and Amaya will move into a new head office in downtown Toronto.

Ashkenazi also made the point that the name change was not due to Amaya being tainted, but rather to the realignment of the company's offerings in the PokerStars business and the shedding of other business units over the past few years.

New market opportunities in Asia

One new market that has caught the attention of Amaya of late is India. Online gambling is popular in Asia, and the size of the Indian market as well as the proliferation of smartphones there, which has surpassed even the U.S over the past two years, make it a prime expansion target.

Ashkenazi noted that Amaya is already looking at leveraging a licensed partner to begin operating in India later this year. In terms of potential, Amaya is targeting half of the online poker market, which could be as high as US\$150 million over the next few years.

Timing is key, as Amaya aims to establish itself in a leadership position of that market. The boom in smartphone ownership in that market could fuel a significant boom to Amaya's revenue should the company be allowed to operate there, and eventually springboard it into other markets in Asia that are already renowned for online gaming.

Other opportunities still exist in the U.S.

Amaya still does not operate in all markets in the U.S. The company has applications pending in a number of states, including California, Florida, Illinois, New York, and Pennsylvania. Amaya was granted approval to operate in New Jersey last year and saw a significant jump in revenues from entering that market.

In terms of market cap, online poker is estimated to be worth approximately US\$2 billion annually. Casino games, however, could fetch far more — up to 10 times that amount.

As Amaya continues to innovate, roll out to markets, and rebrand itself, there's no doubt that this is a company that should be part of every portfolio.

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