



## This Stock Is a Massive Growth Opportunity Just Waiting for You

### Description

If you haven't yet heard of **The Stars Group Inc.** (TSX:TSGI)(NASDAQ:TSG), you may be missing one of the most lucrative growth opportunities on the market.

The Stars Group is a technology company focused on the gaming and online gambling sector. The company owns a myriad of online games, including PokerStars, Full Tilt Poker, and BetStars.

In case you haven't yet realized, The Stars Group is the company formerly known as Amaya, but this new incarnation of the company shares little of the baggage the former once did, but holds just as much, if not more, opportunity for investors.

### The appeal of online gaming and gambling is becoming more commonplace

One of the truly amazing things about technology is how it breaks down traditional borders and norms, letting us accomplish nearly any task from any location. Today, we are at a point whereby we could live our entire lives through our smartphones, ordering everything we need from our devices, using them for work, to socialize, and to play.

The proliferation of smartphones has placed a potential casino in the hands of every person, and that's a huge opportunity we often fail to realize. Potential gamblers that would otherwise have a second thought about heading out to a casino can now play those games from the comfort of their homes.

### The online gambling market is still a drop in the pond

As countries around the world warm to the idea of online gambling (or, more specifically, the potential tax windfall of allowing online gambling), the market potential for The Stars Group grows. In the U.S. alone, the potential for online poker is estimated at US\$2 billion per year.

The Stars Group is currently in the process of seeking out the requisite approvals to operate in the U.S., with the ultimate approval dependent on each state. New Jersey was the first state to grant approval to The Stars Group, and the company has already taken a dominant position in that market, accounting for over 45% of the total online poker market in the first month alone.

The Stars Group still has applications in California, Florida, Illinois, New York, and Pennsylvania still pending. Collectively, those five states comprise nearly a third of the total population of the U.S., meaning there could be a massive jump in the market size.

Looking beyond the U.S., The Stars Group CEO Rafi Ashkenazi recently touted the potential upside of expanding into India, which could, in a few years, garner US\$150 million in revenue annually, just from online poker.

### **There's more than just poker**

Sports betting is another massive opportunity that The Stars Group will continue to capitalize on. To put into perspective how huge sports betting is, pundits estimate the market size at upwards of US\$1 trillion. More than two-thirds of that figure can be attributed to soccer betting, which is incredibly popular in Europe.

Major sporting events, such as last year's European soccer competition, provide a massive opportunity for The Stars Group to enter new markets, and they place a sense of urgency to the various levels of national governments looking to approve The Stars Group's application. Prior to last year's competition, The Stars Group sought out approval to operate in half a dozen European countries and realized a healthy boost to earnings.

And that was just by opening the gambling market to six countries for a Europe-only competition that spanned two weeks. Wait until next summer, when the World Cup, which is a month-long competition that is the most watched and bet on sporting event on the planet, gets underway.

In the most recent quarter, The Stars Group reported net earnings of US\$70.5 million, shattering the previous figure from the same quarter last year by 213%. Revenue came in at US\$305 million, registering a healthy 6.8% bump over the same quarter last year.

In my opinion, The Stars Group remains an impressive investment opportunity for those investors looking for growth.

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1. Investing
2. Tech Stocks

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