



This Top Growth Stock Could Turn \$10,000 Into \$100,000

Description

Some investors are happy with a double or a triple, but I'm not going to rest until I have a 10-bagger in my portfolio. I want to invest \$10,000 into something and have it eventually [be worth \\$100,000](#).

Doing this isn't easy, of course. First you'll need to pick the right stock, a company with the proper combination of undervalued today but with enough growth potential to soar in the future. And you'll have to be patient enough to continue to hold, even during inevitable drawdowns. Unfortunately, most stocks don't consistently go up. They soar and then retreat, making a march higher a bumpy ride.

I've identified one stock that has that kind of potential. Here's why you need to add this company to your portfolio — today.

A roll-up opportunity

Despite **Stars Group** (TSX:TSGI)(NASDAQ:TSG) boasting a market cap of nearly \$7 billion, this company is just getting started.

We all remember the company's big splash back in 2014, when it spent US\$4.9 billion to acquire The Rational Group, which was the owner of online poker brands PokerStars and Full Tilt Poker. It didn't stop there, either, using the Pokerstars platform to roll out both sports betting and casino gaming additions, making an educated guess that poker players would want to use the same platform to do other types of gambling.

It took a few years, and there were more than [a few bumps along the way](#), but the company has done a masterful job with its top asset.

Now its strategy has switched a little. Stars Group is now focused on acquiring rival gaming sites. First up was a majority stake in CrownBet, an Australian gaming company. Shortly after that the company announced a US\$4.7 billion deal to acquire U.K. giant Sky Betting and Gaming.

Some analysts have argued the company paid too much for its latest prize, primarily because initial

results from the acquisition weren't really up to expectations. But I'm confident the company can right the ship. Most other analysts agree, estimating the stock will earn \$2.54 per share in 2019.

There's still plenty of opportunity for Stars Group to make acquisitions and further cement its status as the top player in online gaming.

U.S. expansion

I'd be remiss if I didn't mention the company's potential once the United States legalizes online gaming — something many who follow the industry think is only a matter of time.

Stars Group recently announced a partnership with **Fox** Sports, which gives it the right to use various Fox-branded trademarks while running Fox Bet, a nationwide sports wagering partnership in the United States. This platform will give players in states that have already legalized online gaming the opportunity to bet on various sports.

This is just the tip of the iceberg. Once online gaming becomes legal in more U.S. states, Stars Group can move into these markets with Fox. It also has potential to really increase its online poker revenue as more states legalize that game.

A great time to buy

Getting a 10-bagger is about more than buying a great growth company. You must also buy when shares are cheap, since some of the gain comes from valuation expansion.

You won't find many cheaper stocks than Stars Group. Like I previously mentioned, analysts expect the company to earn \$2.54 in earnings this year, with that amount increasing to \$3 per share in 2020. And that's without making any further acquisitions.

This puts shares at approximately nine times forward earnings expectations. That's incredibly cheap.

Many cheap stocks are crummy businesses, suffering from low margins and plenty of competition. Stars Group is a wonderful business, boasting 63% gross margins in 2018. Operating margins were still 20% last year, which is a great result for a company digesting two major acquisitions.

The bottom line

The powerful combination of organic growth, further acquisitions, and multiple expansion should be enough to send Stars Group shares much higher. The stock could even post a 1,000% gain. That's the kind of move that can truly make or break a portfolio.

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