Forget Amazon (NASDAQ:AMZN): Buy This Canadian Growth Stock Instead!

Description

Growth stocks have generated massive wealth for investors over the years. If you had invested $1,000 in **Amazon** (NASDAQ:AMZN) 10 years ago, it would have increased to $16,700 today. Further, a $1,000 investment in Amazon's IPO would have been worth over a million dollars currently.

Amazon has been one of the more incredible growth stories of the last two decades. The company managed to survive the dot com bubble and has since become the world's largest online retailer.

Amazon has expanded from online retail into other growth segments, such as the public cloud. Its platform is now the third-largest (in sales) in digital advertising after **Alphabet's** Google and **Facebook**.

Amazon is currently valued just below a trillion dollars. While the stock has generated staggering returns since the start of this millennium, its large size will make it difficult to replicate the performance going forward.

Amazon is still a top-quality growth stock that is expected to grow sales by a stellar 19% in 2020 and 17.3% in 2021. Comparatively, analysts expect earnings to grow at a compound annual growth rate of 30% in the next five years.

Amazon's growth story remains intact, but there is one Canadian company that is expected to grow at a much faster rate. This micro-cap stock is valued at just $225 million and can generate exponential returns for investors in the next decade.

Score Media and Gaming

Score Media and Gaming (TSXV:SCR) is a Canada-based company that creates digital products and content for sports fans. It has a mobile application, which is a multi-sports news and data platform targeting audiences in North America.

The app provides extensive coverage of every major league, team, and player as well as offers real-time alerts for scores, news, and fantasy stats. In the first quarter of fiscal 2020 (ended in November), SCR reported sales of $9.2 million, down from revenue of $9.5 million in the prior-year period. Growth in direct advertising was offset by a decline in programmatic revenue.

So, why do you need to invest in a company that experienced a revenue decline in its most recent quarter? For one, SCR is the first sports media company in North America to create and launch a mobile sportsbook, known as theScore Bet.

This sportsbook went live in New Jersey just ahead of the NFL football season. SCR is banking on the new legalization that allows sports betting in the United States. Score Media and Gaming is one of the first movers in this segment and can gain massive traction within a few months.

Its press release states, “Subject to receiving all required licenses and approvals, the company anticipates launching theScore Bet in Indiana under its multi-state market access framework agreement with **Penn National Gaming** later this year, with other states to follow. theScore also continued to pursue additional market access opportunities for theScore Bet across the United States.”

In order to support this growth, SCR raised $40 million from Fengate Asset Management. According to estimates, SCR sales might rise 19.3% to $37.14 million in fiscal 2020 and by 64% to $61 million in 2021.

This means SCR stock is trading at a market cap to forward 2020 sales ratio of 6.5, which is not too expensive considering the company’s growth metrics. Investors with a large risk appetite can look to invest in this micro-cap Canadian company.

CATEGORY

1. Investing
2. Tech Stocks

POST TAG

1. Editor's Choice

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

Category

1. Investing
2. Tech Stocks

Tags

1. Editor's Choice

Date

2025/09/01
Date Created
2020/02/28
Author
araghunath