



## 2 Micro-Cap Stocks That Can Double in 2021

### Description

Micro-cap companies are defined as firms with a market cap of below \$300 million. These are early-stage companies that are expected to grow at a faster rate compared to their larger peers. As they are much smaller in size, micro-cap companies have fewer resources and are significantly more volatile compared to the broader market.

These companies might also find it difficult to withstand economic downturns. However, they also provide investors with the potential to deliver market-beating returns over a period of time.

Here we look at two such stocks that can double your investment in the next 12 months.

### Score Media and Gaming

Shares of **Score Media and Gaming** (TSX:SCR) are trading at \$0.75, indicating a market cap of just less than \$300 million. This company looks to provide a platform for sports fans through its digital media and sports betting products.

Its media application known as the theScore is already gaining significant traction in North America. It delivers personalized live scores, news, statistics, and betting information of the users' favourite teams, players, and sports leagues.

The betting app is available to place wagers in New Jersey, Colorado, and Indiana. The company's sales in fiscal 2020 (ended in August) were down 33.5% year over year at \$20.7 million. Its EBITDA loss widened to \$30.46 million, significantly higher than the loss of \$6.5 million in fiscal 2019.

The massive decline in sales can be attributed to the COVID-19 pandemic, as sports events were canceled or postponed in CY 2020. As the world returns to normalcy, Score Media and Gaming is well poised to increase sales at a stellar pace.

The [company said](#), "With major sports leagues beginning to return to play in the latter half of Q4 after the unprecedented disruption to the sports calendar caused by the COVID-19 pandemic, the company

achieved 3.5 million average monthly active users of theScore app on iOS and Android in August 2020, representing 96% of its average monthly active users achieved in the same period in the previous year.”

Analysts tracking the firm expects sales to rise by 98% to \$41 million in 2021 and by 53% to \$62.7 million in 2022. Its loss per share is also forecast to improve from \$0.11 in 2020 to \$0.05 in 2022.

## Drone Delivery Canada

Another company that is part of an expanding industry is **Drone Delivery Canada** ([TSXV:FLT](#)). After years of investing in product development, FLT has just started to report sales and [also disclosed a partnership](#) with **Air Canada**.

In November, the two companies stated they plan to enter the e-commerce market. Drone Delivery has claimed it has built one of the best drones for commercial deliveries and its largest vehicle also known as The Condor can handle payloads of 400 pounds with a travel capacity of 200 km.

Drone Delivery has a market cap of over \$150 million and is forecast to report sales of \$1.4 million in 2020 and \$11.7 million in 2021. FLT is optimistic that its products can be used across industries, including healthcare, mining, energy, as well as for surveillance.

## The Foolish takeaway

The two companies discussed here offer investors intriguing opportunities. However, these investments also carry certain risks that need to be understood before taking a long-term position in the stocks.

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