



Next DraftKings? Here's Why This Fast-Growing TSX Stock Is a Buy

Description

Move out of the way, **DraftKings**! There's a new single-game sports-betting sensation to bet on with **Score Media and Gaming** (TSX:SCR), a stock that I've [recommended](#) a few times already.

Shares of the SCR have surged over 660% since their November 2020 lows on the back of Canada's unveiled legislation that aims to legalize single-game sports betting, giving Score Media and Gaming a front-row seat to a white-hot and untapped Canadian market that could be [worth as much as US\\$5.4 billion](#).

Score: Enter the Canadian version of DraftKings?

While there could be roadblocks between now and the day theScore Bet captures a huge chunk of its target market, I still think the potential long-term rewards outweigh the risks to be had in the name. Yes, shares of Score are one of the most expensive stocks you'll ever come across. It sports a nosebleed-level valuation at the time of writing, with shares trading at 108 times sales (that's sales, not earnings!) and 111 times book value. And no, these triple-digit valuation metrics are no typo. The stock is extremely frothy, but there's a very good reason for this.

Although the name isn't without its fair share of risks, I think hungry investors have a lot to gain with the name while it's still trading at below \$5.

Four reasons why Score stock is worth betting on

First, I'm a big fan of theScore app used for tracking teams, events, news, and all the sort. The alerts are terrific, as too is the integration with **Apple** Watch. Although I wouldn't personally use theScore Bet to wager on single events, I think that Canadians who do gamble have a lot to be excited about with theScore's intuitive knack for creating seamless user interfaces that just work.

Second, continued COVID-19 lockdowns could happen intermittently over the coming months, if not years, should concerning variants start to become even more problematic. This would likely be a huge

boon to sports betting, as gamblers and sports fans are stuck at home.

Heck, it's probably better for people who gamble to bet on sports events rather than use their money to place wagers on the bubbles floating around in the stock market!

While many effective vaccines point to a potential end to this pandemic in late 2021, other skeptics think COVID-19 could be a problem for the long haul. Regardless, bored sports fans can appreciate what theScore has to offer for years to come.

Third, the magnitude of growth could have the potential to be as unprecedented, if not more unprecedented, than the valuation slapped on the name today. It's hard to believe that a stock trading at north of 100 times sales can be viewed as anything less than absurdly expensive. Still, with the big market on hand and theScore's ability to capture a huge slice of it, I don't think it's that far-fetched to think that theScore could be an undervalued stock in the grander scheme of things.

Fourth, the managers at theScore are mulling a listing on the U.S. exchanges. If SCR stock lands on the NASDAQ, I think shares could really take it to the next level. And the ridiculously expensive stock could easily become that much more expensive.

Foolish takeaway

Could investors continue to score multi-bagger gains with the name? I wouldn't rule it out. That said, be mindful of the risks involved with the name. The stock has doubled up many times over in the past few months. Things could reverse without reason or a moment's notice. So, please dollar-cost average into a full position at these heights, rather than betting the farm!

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