



## Is theScore (TSX:SCR) Stock a Buy?

### Description

**Score Media and Gaming** (TSX:SCR)(NASDAQ:SCR) shares have soared by more than 400% in the past six months. Domestic prospects for sports betting legalization have been a key driver in Score Media's stock rally. In addition, its U.S. betting app, theScore Bet, has exceeded analysts' expectations. Is the stock a buy? Let's analyze this company in further detail.

### theScore closed U.S. IPO

Canadian company Score Media and Gaming, popularly known as theScore, provides digital media and sports betting products. The flagship media application, "theScore" is known for providing information on team, league and player betting, live scores, news, and statistics.

The company announced [the closing of its initial public offering](#) in the United States on Monday. A total of 6.9 million Class A shares were sold by the company, including 900,000 Class A shares following the full exercise by the underwriters of their over-allotment option, at a price of US\$27 per share for gross product to the company of US\$186.3 million.

Class A shares have started trading on the Nasdaq Global Select Market under the symbol "SCR" on February 25, 2021. They continue to trade on the Toronto Stock Exchange under the symbol "SCR."

### Q1 results were sensational

Among multisport news and data apps, theScore Bet app was the third most downloaded in North America and the most downloaded in Canada for the 12-month period ended November 2020. theScore betting application is now available in New Jersey, Colorado, Indiana, and Iowa. In addition, the company creates and distributes its own digital content.

theScore's first-quarter results for its 2021 fiscal year were sensational. The company reported nearly four million monthly active users for the quarter. Each user opened theScore Bet app 116 times per month on average. That's impressive. For context, theScore released its biggest quarterly numbers at

a time when there was no regular season of NBA or NHL games.

The company reported revenue of \$16 million for the 12 months ended November 30, 2020.

Along with record revenues, the company has also launched theScore Bet app in Colorado and Indiana and plans to launch it in other states, with Iowa next on the list once regulatory approval is obtained.

In the first quarter, the company's gaming grip in Canadian jurisdictions where theScore received regulatory approval, increased 535% year over year to \$55.8 million. The focus will be on what's happening in the United States, but the legalization of single-game sports betting means a lot to the leading sports betting brand in Canada.

The company has a less-advertised esports business. Esports is a potential source of long-term growth, especially as 5G internet becomes more popular. The company's esports app has seen more than 350 million video views, its highest for the first quarter in the company's history. This number represents an increase of 355% year over year. It's not just a source of income; it's a way to grow the business audience and mobile users.

Media revenue for the quarter was \$10.6 million. This is a record for the company. The growth was driven by direct advertising and is a consequence of the retention of the company. The company has increased its followers across all of its social media platforms.

While growth was excellent in the first quarter, theScore reported a net loss of \$12.6 million.

## theScore stock is a buy

Growth prospects are very good for 2021 and even better for 2022. Indeed, revenue growth of 71.7% and 79.1% are expected for 2021 and 2022, respectively. If we look at profits, they are expected to increase by 15.5% and 46.2%, respectively, for 2022. [theScore stock is more attractive than Bitcoin or Tesla.](#)

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