



## Why theScore's (TSX:SCR) Boring U.S. IPO Is Actually a Good Thing

### Description

I'm the first to say it's super exciting when a Canadian stock goes on the United States market and goes bananas. It's thrilling to see a company you believe in do well, and even better when you own the stock and see some solid returns. But that wasn't really the case for **Score Media & Gaming** (TSX:SCR)(NASDAQ:SCR) during its initial public offering (IPO).

Sure, we all want to see a stock do really well, but I'll go over why a boring U.S. IPO might actually be good news.

### What happened with theScore stock

After its IPO on Feb. 25, theScore stock came on the market at \$27 and finished the IPO with US\$186.3 million. The company stated the net proceeds would be used to fund corporate purposes as well as growth and expansion of its Bet operations in the U.S. and Canada.

The IPO came shortly after legalization passed in the House of Commons for single-events sports betting, a huge win for theScore stock. The company saw a 9% jump from the news but soon came back down in price. The stock had been climbing until this point, but there seems to be a general correction in the market for stocks deemed unable to sustain share prices in a post-pandemic world.

Even with a U.S. IPO, the stock remains stable. But that's after coming up 455% in share price in the last year alone. So, what are investors to think?

### Think long term

The company is looking to expand; that much is clear. It's not just Canada, where same-day sports betting has been legalized and where the potential for growth remains. There are multiple states that have been seeing massive tax revenue from sports betting, including Pennsylvania and New Jersey. It opens the door for more states to get in on the action — action that theScore stock should benefit from.

But it gets better. There are talks that **Draftkings** is interested in acquiring theScore stock. The company's CEO is excited about the legalization in Canada and wants to take full advantage. But the easiest way would be to take the largest presence of sports betting in Canada, and that's theScore.

Whether this happens or not, sports betting and online gaming is an industry that exploded during the pandemic. But it was already growing at a rapid pace around the world. So, really, North America is still playing catch up. That leaves plenty of room for growth in this expanding industry.

## Bottom line

Today's pullback leaves a great opportunity for investors seeking returns from a long-term growth stock. As I mentioned, the stock is up 455% in the last year and 1,130% in the last five years. But the pullback is based on outside factors unrelated to recent stock movement. So, why is boring good? Boring means the stock isn't volatile. It's finally [stabilized](#). You can now look forward to stable returns rather than shocking dips and dives. And now with funds coming in from the U.S., that revenue should continue to grow at a [rapid](#) pace.

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