

In the last quarter, digital gaming revenues soared over 400% to just shy of \$32 million.

Digital sales may comprise a less meaningful chunk of total revenues (less than 10%) today. Still, if you think the firm is capable of posting triple-digit percentage growth numbers over the next few years (I think it could), Spin Master stock will be in need of a massive re-valuation to the upside, perhaps closer to a Roblox multiple.

Given the capabilities of management, I do not doubt that the firm can give Roblox a good run for its money with the younger target market.

Spin Master boasts an incredible lineup of brands, including the likes of Hatchimals, PAW Patrol, Bakugan, GUND, and all the sort. If Spin can leverage the power behind such brands as it looks to double-down on digital gaming, the company could be in for some serious revenue growth and multiple expansion.

Personally, I think Spin Master's 400% digital pop could be a preview of what's to come from the digital segment. As such, I find TOY stock's modest multiple (1.9 times sales) to be severely discounting the firm's longer-term growth capabilities on the digital front.

Spin Master could evolve to become a Canadian version of Roblox

Fellow Fool Chris MacDonald seems to think that Spin Master could be the next Roblox, highlighting similarities between Spin's Toca Life World app and the Roblox platform:

"I think Spin Master's digital games segment is the key to its long-term growth potential. Additionally, on this basis, I think the company is [severely undervalued](#) compared to its larger peers right now," [wrote](#) MacDonald

"There's more growth that needs to happen for investors to start buying into the Spin Master-Roblox comparison. However, I don't find such a comparison that far-fetched right now."

As usual, Chris is right on the money. There's no reason why a stock with such Roblox-like characteristics should be priced at under 2 times sales. So, if the Roblox IPO tempts you, try Canada's toy kingpin for a spin instead!

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