



## Forget GameStop: 2 Future Stocks to Buy Instead

### Description

The COVID-19 pandemic is transforming our society. Spread of cases may be a concern for months or years to come, I'm certainly not going to try to make a prediction on that front. However, the residue of this gigantic societal transformation will remain for many more years, perhaps decades. Investors need to prepare for this new world. The rise of **GameStop** stock has illustrated the influence retail investors may have in the years ahead. However, I'm more interested in two other future stocks in late March.

### Why I'm staying away from GameStop in the spring

Yesterday, I'd discussed why investors should look to [get in](#) on the video game sector. However, there is still way too much uncertainty swirling around GameStop to make a reasoned long-term bet on the stock right now. It has managed to attract real talent like former **Chewy** CEO Ryan Cohen. He has his eyes on a foray into e-commerce dominance for GameStop. That will be a long a costly transformation where the retailer will need to face off against the big dogs that are already roaming in that industry.

Instead of snatching up GameStop, I'm looking to future stocks that are geared up for solid growth this decade and beyond.

### This future stock is geared up for solid growth this decade

**WildBrain** ([TSX:WILD](#)) is a Halifax-based company that develops, produces, and distributes film and television programs. Its shares have climbed 52% in 2021 as of late-morning trading on March 30. This future stock may not be a streaming giant like **Netflix** or **Amazon**, but it is still worth your attention today.

The company released its second-quarter fiscal 2021 results on February 9. Revenue rose 17% from the prior year to \$142 million. Meanwhile, adjusted EBITDA increased 14% to \$29.1 million. WildBrain Spark, the company's namesake and streaming service, saw its revenue rise 74% from the prior year to \$15.5 million. Audience engagement rose to 59.7 billion minutes of videos watched on its network in Q2 FY2021 — up 15% year over year.

Some provinces, including Ontario, are reportedly already exploring long-term online learning. This may remain even after the pandemic is deemed a non-threat by the political class. Kids staying at home should drive more engagement in children-focused entertainment services like WildBrain.

## Here's another stock that's well positioned in the 2020s

When you think about factory automation, I'll bet that your first thought isn't "entertainment." That doesn't matter, **ATS Automation** (TSX:ATA) is one of my favourite future stocks to target in the early spring. I'd suggested investors [should bet](#) on this stock back in February. This Cambridge-based company provides factory automation solutions around the world.

Shares of ATS Automation have climbed 20% in 2021 so far. This future stock is up 63% from the prior year. In third quarter fiscal 2021, revenues rose 1% from the prior year to \$369 million. Meanwhile, adjusted basic earnings per share increased to \$0.30 per share — up from \$0.26 per share in the previous year.

Shares of ATS Automation last had a price-to-earnings ratio of 45. This still puts the future stock in favourable value territory compared to its industry peers. I'd snatch up both these stocks over GameStop today.

### CATEGORY

1. Investing

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1. TSX:ATS (Ats)
2. TSX:WILD (WildBrain Ltd.)

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