



Growth Investors: This Recent IPO Is a Great Stock to Add to Your Portfolio!

Description

If you are looking to invest in [growth stocks](#) that have lost momentum recently, you can consider **BBTV Holdings** ([TSX:BBTV](#)). This stock went public in October 2020 and is currently trading 50% below its record high. However, the pullback presents an amazing buying opportunity for growth and contrarian investors.

An overview of BBTV Holdings

BBTV provides online video influencers with audience monetization solutions, thereby allowing them to generate additional revenue for their content. The company has thousands of influencers on its platform that include individuals as well as large enterprises such as NBA and **Sony Pictures**.

BBTV has over 500 influencers that generate over \$100,000 in revenue. Further, around 100 of these influencers generate more than \$500,000 in annual revenue. The company aims to leverage its integrated technology platform that provides users with tools and capabilities to optimize viewership and engagement. Influencers would otherwise need multiple platforms to access the comprehensive suite of tools that BBTV provides.

What's next for investors?

There are multiple drivers that will allow BBTV to grow its top line at a steady pace in 2021 and beyond. Approximately 29% of American students aspire to become content creators. This trend will result in a generational shift in the global workforce, and BBTV is well poised to benefit from this transition, as its creators generate a staggering combined 40 billion views per month.

Further, companies in the private sector are now focused on creator monetization. Creator monetization companies such as Cameo and Patreon have raised massive capital at steep valuations, which suggests investors are optimistic about this space.

BBTV stock is trading at a massive discount. If we compare its revenue share to peers, the stock is trading at an 85% discount to median multiples. For example, BBTV is valued at a market cap of \$158 million. Eight sell-side analysts track the company and have initiated formal independent research, and

they expect the firm to increase gross profit by 14% to \$41 million in 2021 and by 39% to \$57 million in 2022 (revenue figures are much higher). This means the company is trading at roughly four to five times on an EV/gross profit basis as compared to 35 times for market competitors.

BBTV has significant room to increase its top line, as the company continues to invest in its higher-margin Plus Solutions business that includes direct advertising and other products.

Focus on expansion and diversification

Last week, BBTV announced it's entering the highly disruptive NFT (non-fungible token) space with some of the world's leading content creators across verticals such as entertainment, sports, gaming, and music.

Its first NFT will be with Grammy-winning music producer Zaytoven, who has worked with artists such as Drake, Travis Scott, Keyshia Cole, and many others.

The total value of NFT transactions more than doubled to \$338 million in 2020 compared to \$141 million in 2019. NFTs are gaining traction and are a popular way for creators to monetize their intellectual property. BBTV plans to offer NFTs as a method to diversify and expand the monetization efforts of content creators on its platform.

In March, BBTV disclosed it entered new markets such as India and Thailand. The company now has a presence in 30 countries and provides solutions in 12 languages. Its focus on international expansion and product diversification will allow BBTV to grow sales at a fast clip in the upcoming decade.

BBTV stock is currently trading at \$7.94. Bay Street analysts have [a 12-month average target price](#) of \$19.63, which is 147% above its current trading price.

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