



Why I'm Buying the Dip in Score Media Stock

Description

Score Media (TSX:SCR)(NASDAQ:SCR) is a Toronto-based sports media company. Sports fans in Canada should be very familiar with theScore as a television staple that rose to prominence in the 2000s. It runs one of the most popular sports media applications in the country. This has served as a solid platform to vault the company into sports betting.

Shares of Score Media have climbed 26% in 2021 as of early afternoon trading on May 26. The stock is down 9.4% from the prior month. Today, I want to discuss [why I'd buy](#) this top Canadian sports-betting company on the dip.

Where does Canada stand on single-game sports betting right now?

In May 2018, the United States Supreme Court struck down a federal ban on sports betting. This blew open the doors for legal sports gambling south of the border. Dozens of states have moved forward on a legal framework in the years that have followed.

Canadian policymakers have grown eager to get in on this highly lucrative industry. Bill C-218 was constructed to amend the criminal code and strike down the ban on single-game sports betting in Canada. On Tuesday, Bill C-218 was read in the Senate and was successfully referred to the Senate Standing Committee on Banking, Trade, and Commerce.

Kevin Waugh, the sponsor of the bill, said that if the bill did not come out of the legislature by June, it would likely not pass this year. This development has sparked new momentum for Bill C-218. Score Media and its peers looking to pounce on Canadian sports betting have reason for optimism. However, it is not time to celebrate just yet.

Why has Score Media stock lost momentum?

“Getting closer to the goal line,” tweeted theScore CEO John Levy in response to the progress for Bill C-218. Based on data in the United States, Levy estimates that online sports betting in Canada could generate between \$3.8 billion and \$5.4 billion in gross revenue. Industry backers feared that the bill had lost momentum, and so had Score Media stock in recent weeks. Fortunately, this development has spurred the stock in late May.

Shares of Score Media have jumped 24% week over week as of mid-afternoon trading on May 26. In the middle of April, I'd [suggested](#) that investors look to snatch up Score Media over a tech stock like **BlackBerry**. There is reason for excitement as this landmark bill makes more progress.

Here's why I'd still snag the stock today

Progress on this bill aside, Score Media has made promising strides as it has also moved into U.S. markets. In Q2 2021, total gaming handle on theScore Bet soared 491% compared to the prior year. Meanwhile, media revenue increased 17% year over year to \$8 million. Score Media launched theScore Bet in Iowa back in February.

It also scored on the engagement side. User sessions rose 8% from the prior year on its sports media app. Moreover, followers on its TikTok account rose to 3.1 million at the end of Q2 2021.

Score Media is still worth buying on its recent dip. Bill C-218 is a game changer for Canadian sports betting and for this company.

CATEGORY

1. Investing

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Investing

Date

2025/08/20

Date Created

2021/05/26

Author

aocallaghan

default watermark