



## Cineplex (TSX:CGX) Isn't the Next AMC! Buy This Stock Instead

### Description

Meme stocks are all the rage these days. Earlier this year, investors that rode the **GameStop** pump saw their financial fortunes turn from rags to riches. Now, retail investors are clamouring for the **AMC** pump in hopes of achieving the same success. AMC stock is up nearly 900% in the past six months. In fact, the stock has gained more than 339% in the past month!

This has prompted some investors to think they've missed the pump. As a result, many are now looking for the next AMC. An easy equivalent to AMC in Canada is **Cineplex** ([TSX:CGX](#)). As a result, investors have been pouring into the stock hoping for the same results. In this article, I'll explain why it's dangerous to play this game and which stock you should consider buying instead.

### Why Cineplex isn't the next AMC stock

Many point to Cineplex as an equivalent to AMC because they're industry peers and both stocks saw their value plummet during the pandemic. However, there's no guarantee that Cineplex will ever see a similar pump in its stock. The American stock market possesses a lot more volume, which is needed for a move of AMC's magnitude. If Cineplex stock never sees the same pump, investors could lose a lot of money from the added selling pressure as the crowd gives up hope on waiting.

As a long-term hold, Cineplex stock is also a bad choice. Because of the pandemic, Cineplex has struggled greatly. Year over year, the company's Q1 revenue has decreased by 85.4%. Its total theatre attendance has declined even more drastically, falling 96.1% year over year. These are not promising numbers as the country exits the pandemic. As of its [latest earnings report](#), Cineplex had a net cash burn of \$26.9 million per month. This is greater than the remaining cash on the company's balance sheet, as of March 31.

### Buy this stock instead

**Nuvei** ([TSX:NVEI](#)) is a much better stock to add to your portfolio. Although it has nothing to do with the cinema industry, the stock should be appealing to a wide range of individuals. [Nuvei provides payment solutions](#)

to companies around the world. It differentiates itself from its competitors by offering mobile, app, in-store, and unattended payment solutions. Today, the company is present in more than 200 global markets and accepts 450 payment methods in 150 currencies.

The stock has been one of the best performers on the **TSX** this year, gaining nearly 16%. Currently, Nuvei has a market cap of about \$12 billion. This makes it much smaller than its competitors, which include **PayPal** (US\$305 billion), **Fiserv** (US\$76 billion), and **Adyen** (€57 billion). If Nuvei is able to reach the size of its competitors, investors could see returns of five times to 25 times.

It is certainly a newer company with an uphill battle ahead, but with customers already signed up, it's very possible that Nuvei will become just as big as the other companies mentioned.

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## TICKERS GLOBAL

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