



Why BBTV Stock Is Poised to Outpace the TSX in 2021!

Description

If you are looking to invest in stocks that are poised to finish off the year strong, you might want to consider **BBTV Holdings** ([TSX:BBTV](#)). This company went public in October 2020 and is now trading nearly 50% below its record high. In 2020 it achieved revenues of \$459 million — an increase of 23.3% compared to the prior fiscal year as a private company.

BBTV is now looking to improve its bottom line, as it recently completed a \$66.27 million financing, which adds significant support to the company's balance sheet.

BBTV has been making waves in the media industry with unique solutions for creator monetization. The company allows creators to generate additional revenue for their existing content. The TSX company has rapidly grown to serve thousands of creators on its native platform, which now includes fortune 500 clients such as the NBA and **Sony Pictures**.

BBTV works with thousands of creators globally, with approximately 500 clients generating over \$100,000 in annual revenue and around 100 creators generating more than \$500,000. The company is aiming to leverage its integrated technology platform that gives users the solutions needed to maximize their views and make more money. These include influencers and creators who would otherwise require multiple platforms to access the comprehensive suite of tools that BBTV provides.

BBTV stock is trading at a discount

Creator monetization is a trending topic as hundreds of companies in the private sector are scrambling to grab a piece of the pie. Companies such as Patreon or more recently creator monetization startup Pico have raised massive capital at steep valuations, which shows the lengths investors are willing to cross and enter this “viral” market.

With a strong balance sheet and massive growth potential, BBTV stock is currently trading at a significant discount. Currently, BBTV is valued at a market cap of \$163 million. Formal independent research from sell-side analysts reveals that they expect the firm to increase gross profit by 14% to \$41 million in 2021 and by 39% to \$57 million in 2022. This reveals that the company is trading close to [four to five times](#) on an EV/gross profit basis in comparison to 42 times for market competitors. Analysts have set an average price target of \$18.50 — a 133% upside from where it currently trades.

BBTV will have the support of multiple driving factors, allowing it to continue top-line growth at a steady pace throughout 2021. Firstly, the company is operating in a red-hot market, as nearly 30% of students in the United States are aspiring creators. As this generation shifts into the workforce, BBTV is perfectly poised to capitalize on the massive and fast-growing creator craze. In fact, BBTV is already generating a combined 40 billion views each month across its portfolio of creators.

The Foolish takeaway

As BBTV continues to grow its “Base Solutions” and its high-margin wing “Plus Solutions,” the company will continue seeing rapid growth in revenue and earnings providing significant upside in the stock. Analysts tracking the stock expect the company to [increase sales by](#) 9.1% to \$500.9 million in 2021 and by 15.6% to \$579 million in 2022. BBTV is also forecast to improve its profit margins, as it's forecast to post a loss per share of \$0.68 in 2022 compared to a loss of \$1.05 per share in 2021.

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