



1 CHEAP, High-Growth Stock to Buy Today

Description

The gambling/gaming sector never seems to get the attention that it should in investing circles. These businesses are essentially a licence to print money. Casinos and online gaming firms are profit machines, and these entities have been able to expand their reach in the present day. Today, I want to discuss where the gaming sector is headed in the future. Moreover, I want to look at one discounted [growth stock](#) that could offer big returns for opportunistic investors. Let's jump in.

Here's why Canadians should seek exposure to the gaming space

In July, I'd [recommended](#) that investors get in on **Score Media** (TSX:SCR)(NASDAQ:SCR) stock. Canada had just pushed through legislation that would roll out the red carpet for single-game sports betting. This was a huge milestone for Score Media and its peers that hope to take advantage of this new development.

Indeed, investors who gobbled up this growth stock were rewarded in short order. Shares of Score Media soared 120% month over month as of close on August 16. However, that bulk of that spike occurred after it was announced that Score was set to be acquired by **Penn National Gaming**. Fortunately, there are other [attractive options](#) for Canadian investors.

A recent report from Grand View Research projected that the online gambling market would be worth \$127 billion by 2027. This would represent a CAGR of 11% over the projected period.

This discounted high-growth stock is worth your attention today

Pollard Banknote ([TSX:PBL](#)) is the discounted growth stock that I'm interested in today. This Winnipeg-based company manufactures and sells a range of gaming products and services for the lottery and charitable gaming industries around the world. Its shares have climbed 30% in the year-to-

date period. However, this growth stock has dropped 3% month over month.

In the mid-1980s, Pollard began printing for government lotteries in North America and around the world. Digitization is a trend that we have witnessed across many sectors. Gaming and lotteries are no different. Fortunately, Pollard has moved to meet the challenge with digital offerings.

The company unveiled its second-quarter 2021 results on August 11. Sales rose 24% from the prior year to \$113 million. Meanwhile, combined sales achieved 32% growth to \$123 million. Pollard's online platform, iLottery, has experienced strong success in recent quarters. Yesterday, it revealed that top-line total iLottery sales that exceeded \$807 million. This set an all-time high for the industry. The iLottery program grew to represent a quarter of the state's total lottery sales in a year.

Pollard reported combined iLottery sales from its share of iLottery operations of \$16.7 million — up from \$12.5 million in the prior year. Total adjusted EBITDA hit \$45.9 million in the first half of 2021 compared to \$35.8 million in the first half of 2020.

Shares of this growth stock last had a price-to-earnings ratio of 30, which puts it in solid value territory relative to its industry peers. It offers a quarterly dividend of \$0.04 per share, which represents a modest 0.3% yield.

CATEGORY

1. Investing

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1. TSX:PBL (Pollard Banknote Limited)

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