



2 Digital Advertisement Stocks You Need to Buy Right Now!

Description

Investors looking for stocks that can deliver market-beating gains consistently need to identify companies that are part of a rapidly expanding market. As the world is going digital, companies will look to acquire customers via online advertising making companies such as **The Trade Desk** ([NASDAQ:TTD](#)) and **AcuityAds** (TSX:AT)(NASDAQ:ATY) top bets right now. Let's see why these two stocks should be part of your growth portfolio.

The Trade Desk

A company that went public in 2016, The Trade Desk has already returned a staggering 2,200% to investors. So, if you invested \$1,000 just after Trade Desk's initial public offering (IPO), your investment would be worth over \$22,000 today. But TTD stock is also down 29% from all-time highs allowing investors to buy the dip.

The Trade Desk is the largest independent demand-side platform or DSP in the world. A DSP platform allows ad agencies and marketers to make a bid on ad inventories. Over the last seven years, The Trade Desk's retention rate has been over 95%, indicating high customer engagement.

The company is optimistic about the growth in the connected TV or CTV vertical to drive top-line in the upcoming decade and lower exposure toward mobile and desktop advertisements. Despite lower enterprise ad spending in 2020, TTD increased sales by 26% year over year. In the first half of 2021, its sales growth accelerated to 67% and is forecast to rise by 40% in 2021. Wall Street also expects revenue to rise by 29% year over year to \$1.51 billion in 2022.

TTD stock is trading at a steep valuation and its forward price to 2022 sales multiple stands at 22, while its price to earnings ratio is also high at 83 times. However, between 2022 and 2025, TTD is expected to increase earnings at an annual rate of 54%.

AcuityAds

Shares of AcuityAds rose by a staggering 975% in 2020 and are currently down 75% from all-time highs. A much smaller player compared to TTD, AcuityAds is currently [valued at a market cap](#) of \$485 million.

AcuityAds provides a solution to marketers in the programmatic ad space. The Canadian company benefitted from the increase in screen time as well as online entertainment solutions amid the pandemic that drove shares to record highs in early 2021.

Its new [self-serve platform called](#) illumin also launched last October and is expected to be a key driver of revenue growth going forward. In Q4 2020, illumin's sales stood at \$1.5 million and in the first six months of 2021, sales from this platform rose to \$8.43 million.

illumin is an ad-automation technology that enables advertisers to plan, buy, optimize and report on ad programs via a single-user interface, making it easier for them to map the customer's journey across devices and multiple communication channels.

AcuityAds sales rose by 50% year over year to \$30.2 million in Q2 and are forecast to touch \$132.46 million in 2021. Bay Street also expects sales to increase by 23% to \$163 million in 2022.

AcuityAds is trading at an attractive price to sales multiple of just over three times, while its price to earnings ratio is also reasonable at 28. Analysts [tracking the stock](#) expect shares to almost triple in market value in the next 12 months.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:TTD (The Trade Desk)
2. OTC:ILLM.F (Illumin)
3. TSX:ILLM (AcuityAds)

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