



## Why Did Bragg Gaming Stock Jump 18% on Thursday?

### Description

**Bragg Gaming Group** ([TSX:BRAG](#)) saw shares climb as much as 18% on Thursday. This came after the company announced the securing of its casino deal, leading at least one analyst to raise guidance.

### What happened?

As Ontario sports betting heats up, Bragg Gaming stock has been making some [significant](#) moves that have caught the attention of analysts. That recently included Cormark Securities analyst David Mcfadgen. Bragg Gaming secured an agreement on Jan. 18 to supply executive slots to Swiss operator Casino Interlaken.

This is the latest of several expansion projects for Bragg Gaming stock. It also recently acquired Spin Games from the Pennsylvania Gaming Control Board, which should be online this year.

While the news sent shares climbing, it was the analyst weigh-in that sent them soaring. Mcfadgen believes Bragg Gaming stock will become one of the major heavy hitters if and when single-day sports betting is approved in Ontario.

### So what?

In an interview with *BNN Bloomberg*, Mcfadgen stated he believes Bragg Gaming stock will secure the area of online sports betting and casinos. It's going to become very competitive with a very limited number of licences, he said, and Bragg, therefore, has an advantage.

The biggest difference here compared to its competitors, however, is that Bragg Gaming stock seems to be undervalued. While Mcfadgen decreased his price target for Bragg Gaming to \$14 from \$21 per share, that still a *huge* space between where it trades now at \$6.85.

The difference for Bragg Gaming stock is that it's a business-to-business gaming company. It powers online casino websites and provide games, taking a share of the revenue, Mcfadgen said. He expects

them to have acquisitions coming in soon, targeted at the Canadian online casino market.

## Now what?

There is a major shift coming. Right now, Canadians can only legally use the Ontario Lottery and Gaming website to take part in online betting. The single-day sports betting combined with new private entities will create opportunities galore for growth.

But Bragg Gaming stock seems to be the biggest winner. While others seem to already be fairly valued, Bragg still has a way to go. Now, of course, the target price did drop. But that's likely due to the initial investments bringing down earnings combined with a volatile market. And it's still a massive increase for the next year or so.

Mcfadgen believes Bragg Gaming stock will bring in revenue of \$19.58 million for the next quarter, which would be a decrease from \$20.97 million the year before. As of writing, the price target of \$14 would represent a potential [upside](#) of 104%.

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