



1 Growth Stock to Buy Ahead of the Trillion-Dollar Metaverse Opportunity

Description

The Metaverse is a spatial computing platform that is very popular in the gaming market. This new realm of digital discovery is an imaginary world where physical and digital worlds co-exist. People on the platform interact and socialize with one another and enjoy a more immersive, fun aspect by using virtual reality (VR) goggles. They can also create their own virtual experiences in an augmented reality (AR) space.

Tech experts agree that the Metaverse will influence people's lives in a big way soon. They add that the possibilities are incredible and endless when you combine VR and mixed reality (MR). Real-time interactions happen across distances with only a headset and browser.

Trillion-dollar opportunity

According to Precedence Research, the value of the global metaverse market reached US\$1.7 billion in 2021. It should reach the US\$1.3 trillion level by 2030, representing a compound annual growth rate (CAGR) of 44.5%.

The Metaverse is composed of various digital worlds, not just one. By mixing 3-dimensional worlds (VR, AR, and MR) over the web, people can extend and deepen their social interactions virtually. Also, the more immersive Metaverse should create more natural and authentic user experiences.

Many investors are taking early positions in [tech companies](#) active in Metaverse development. The prominent names are **Meta Platforms** (formerly Facebook), **Microsoft**, **NVIDIA**, and **Roblox**.

Magnet Forensics ([TSX:MAGT](#)) is an exciting prospect for Canadians looking for a [growth stock](#) in the metaverse industry.

Cybercrime fighter

Magnet Forensics, a fast-growing Canadian company, helps enterprises, governments, and police agencies fight cyber-enabled crimes. Its digital investigation software is an innovative tool that

investigates cyberattacks and digital crimes. The \$1.7 billion company has sales channels in major economic regions, including North America and the Asia-Pacific.

Companies in sectors like financial services, healthcare, technology, and telecommunications have adopted Magnet Forensics software. They use it to investigate corporate fraud, IP theft, employee misconduct and external threats (ransomware and malware attacks), among others.

Management's ongoing focus is to innovate, develop, and deploy advanced and effective tools to protect countries and clients from rapidly growing cyber and cyber-enabled crimes. The Waterloo-based firm has built a strong reputation in the digital forensics and cybersecurity communities.

Building on strong momentum

Magnet Forensics was happy with its top-line growth in Q3 2022. In the quarter that ended September 30, 2022, revenue and annual recurring revenue (ARR) increased 41% and 50% year over year to US\$25 million and US\$80.9 million, respectively. However, net income declined 37% to US\$1.4 million versus Q3 2021.

Nevertheless, management expects to build on the strong momentum in 2023. Adam Belsher, CEO of Magnet Forensics said, "We continue to gain momentum with strong top-line growth and bottom-line performance as a result of the investments we've made in the business."

Outperforming tech stock

The cybersecurity startup went public on April 28, 2021. As of this writing, the [cybersecurity stock](#) trades at 41.02 per share, or 141% higher than its IPO price of \$17. The total return in 1.06 years is 79.1% (44% CAGR). Moreover, MAGT (+24.79%) is outperforming both the broader market (-3.47%) and technology sector (-30.8%).

Expect Magnet Forensics to shine brighter even before the full development of the Metaverse. Its business growth should accelerate in 2023 and beyond as the cybercrime problem escalates.

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