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# Analysis: Score Media and Gaming

This does not constitute financial advice  
Ticker Symbol: SCR  
Last Update Date: 2021-08-31

## 1. Business Overview

**From Yahoo Finance: SCR**

Our engineers are working quickly to resolve the issue.

## 2. Estimating Revenues Once Online Sports Betting Become Legal in Canada

### 2.1 Model's Assumptions

Assumptions about market size:

- Total North American addressable market is \$22.3B USD
- Total Canadian addressable market is \$4.3B USD
- Total US addressable market is \$18B USD
- Total Ontario addressable market is \$1.7B USD

Assumptions about SCR's penetration rate:

- Through its theScore App, SCR has a 10% penetration rate in Ontario
- For the bear case, I assume a similar penetration rate for the online sports betting market

Assumptions about other variables:

- Currently SCR has 50.40M outstanding shares. We expect to see at most 100% dilution in the next 5 years.
- In the past 5 years, we have seen a similar rate of share dilution and I expect that SCR will continue to leverage capital to fuel their growth
- We use a super conservative P/S ratio of 10

Note: most of the estimates come from data taken the Q2 2021 presentation: <https://mobile.thescore.com/investor-relations/> (<https://mobile.thescore.com/investor-relations/>)

### 2.2 Bear Case

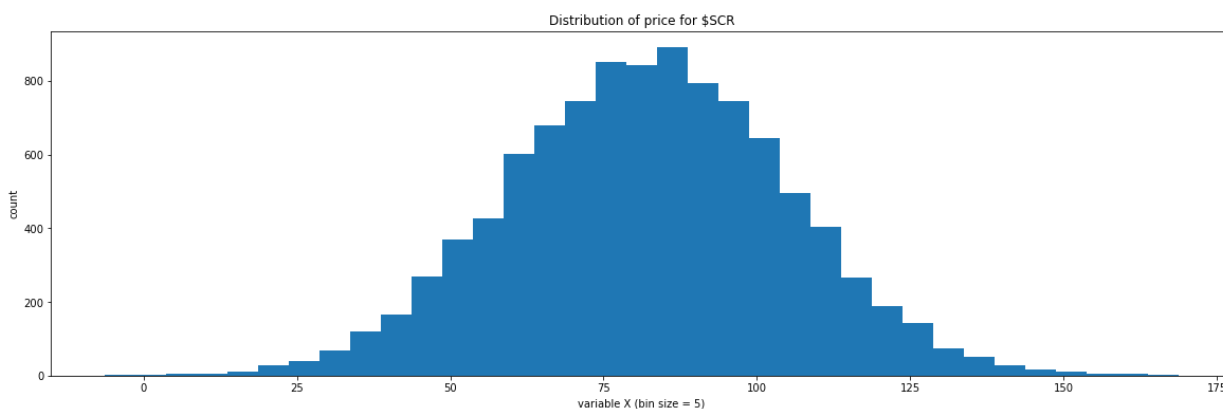
For the bear case, we assume a 10% penetration rate in Ontario, 1% in other provinces and 1% in the US  
This would result in revenues of 376K by 2025

## 2.2 Bull Case

For the bull case, we assume a 15% penetration rate in Ontario, 5% in other provinces and 5% in the US  
This would result in revenues of 1285K by 2025

## 3. Monte Carlo Simulation for Expected Revenue for The Next 5 Years

I assumed that my bear and bull cases represent 2 standard deviation from my mean for the Monte Carlo simulation



### Fair Value Today

The expected share price in 2025 is 82\$  
The bear case share price for 2025 is 37\$  
The bull case share price for 2025 is 126\$

Discounted at a 10% rate, the fair price as of today is 53\$

## 4. Position

Average Purchase Price: 24CAD  
Average Selling Price: 42CAD

