

Top Gaming Stocks To Buy Now? 4 Names To Watch

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Are These The Best Gaming Stocks To Buy For Long-Term Gains?

It is without question that ***gaming stocks*** have been one of the bigger winners in the stock market during the COVID-19 pandemic. The pandemic has helped many gaming companies to reach record profits as customers opted for digital solutions, which aids in the reduction of additional expenses like manufacturing and distribution. However, with the economy reopening and people starting to step outdoors, there may be concerns if the gaming industry could sustain its robust growth.

One should note that the gaming industry is no longer a niche for certain age groups. Given how mobile gaming and improvements to hardware used in games these days, gaming has become a viable form of entertainment for all age groups. Just look at the PlayStation 5 from Sony Group Corp (NYSE: SONY) which has been in high demand since its release back in November 2020. Even up to date, it appears that there is still a limited supply. Therefore, it is safe to assume that gaming has crept into most people's lives and will continue to be a form of leisure. So, would a list of some of the top gaming stocks in the stock market today interest you?

Top Gaming Stocks To Buy [Or Sell]

Right Now

Electronic Arts Inc

First, we have one of the gaming juggernauts, Electronic Arts (EA). Essentially, the company develops, markets, publishes and distributes games, content, and services. Its games and services can be accessed through a range of platforms, including consoles, personal computers (PCs), mobile phones, and tablets. Some of its most popular games would include FIFA, The Sims Series, Apex Legends, and Need for Speed Series.

In May, the company announced the acquisition of Metalhead Software, a Canada-based video game studio, and developer of the fan-favorite Super Mega Baseball franchise. This partnership is aimed towards growing the Super Mega Baseball franchise and developing new gaming experiences for players worldwide. This is one of its latest growth and expansion plans for the company which already includes EA SPORTS College Football, EA SPORTS PGA TOUR, and the F1 franchise now published by EA SPORTS through EA's Codemasters acquisition.

The company also announced its preliminary financial results for its fiscal fourth quarter and full-year ended March 31, 2021. Net bookings for fiscal 2021 were \$6.19 billion, up by 15%. Furthermore, it delivered 13 new games and had more than 42 million new players join its network. EA was able to

deliver a strong financial report despite facing challenges posed by the global pandemic. With all these in mind, would you consider buying EA stock?

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Activision Blizzard, Inc

For gaming enthusiasts, Blizzard needs no introduction. However, for those who are new to the scene, this company is a developer and publisher of interactive entertainment content and services. Similar to EA, its content is accessible across various gaming platforms. Have you heard of Candy Crush, World of Warcraft, and Call Of Duty? Well, they all belong to Blizzard along with many other popular games.

During its first quarter, revenue came in at \$2.07 billion, beating estimates of \$1.78 billion. Activision Blizzard reported \$0.84 per share earnings, topping analyst's estimates of \$0.70 per share. Since its announcement back in May, ATVI stock has risen over 8% to date. It's no secret that Activision Blizzard is an industry leader that is well-positioned to continue delivering gains to its shareholders.

Not only is the company financially strong, glimpses of what lies ahead with the company's strategy moving forward have also been revealed. Without a doubt, Call of Duty has been a success for the company, where its player count tripled over the past two years. Now, the company plans to replicate its

success with its other games. CEO Bobby Kotick even mentioned on the company's latest conference call that "*Call of Duty* is the template we're applying to our proven franchises." So, do you still believe ATVI stock to be a top gaming stock to buy?

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Take-Two Interactive Software, Inc.

Take-Two Interactive Software (TTWO) is a video game holding company based in New York City. The company owns two major publishing labels, Rockstar Games and 2K. Rockstar Games is the developer and publisher of *Grand Theft Auto*. Impressively, TTWO stock has risen over 30% over the past year. Now, let us assess if this upward trend is justified and sustainable.

This bullish run thus far is certainly justified given its fiscal 2021 and fourth-quarter earnings report announced in May. The company reported net revenue of 3.37 billion, an increase of 9% year-over-year. Meanwhile, net income came in at \$588.9 million, up by a whopping 46% year-over-year. Throughout the year, the company enhanced its organization long-term by broadening its portfolio offerings and investing in creative talent. And hence, this is reflected in its impressive financial numbers.

As for whether it is sustainable, the company is certainly not resting on its laurels. Last week, TTWO announced that it has acquired privately-held Nordeus for up to \$378 million. Nordeus is a mobile games company best known for *Top Eleven*, the world's most successful mobile soccer management game. This would further strengthen its mobile game business and broadens its sports portfolio with its first-ever soccer offerings. All things considered, would TTWO stock be one of the better investments now?

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Sea Ltd

When looking at gaming stocks, Sea is often overlooked as its platform also consists of electronic commerce and digital financial services. The company operates three businesses, Garena, Shopee, and SeaMoney. Garena is a global game developer and publisher with a presence in Southeast Asia, Taiwan, and Latin America. It provides access to mobile and personal computer online games.

In its first-quarter earnings report, the company's revenue skyrocketed to \$1.8 billion, an increase of 146.7% year-over-year. On top of that, the gross profit was \$645.4 million, up by 212.1% year-over-year. Zooming into its digital entertainment business, it contributed \$781.3 million in revenue. This is largely due to the increase in active user

base, especially with the continued success of its game Free Fire.

So, if a healthy trend is a key factor for you as an investor, then SE stock would fit the bill. The company's stock has soared by over 180% within the past year. On top of that, the company boasts diversity as it deals with not only the gaming market. In fact, there are claims that the e-commerce arm, Shopee, will be launching in Colombia and Chile. This is with plans of offering online sales via its website and local apps. Given its strong financial performance and expansive nature, would you consider adding SE stock into your portfolio?

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