



Why Torstar Shares Popped Today

Description

Although we don't believe in timing the market or panicking over market movements, we do like to keep an eye on big changes — just in case they're material to our investing thesis.

What: Shares of Toronto Star publisher **Torstar Corp.** ([TSX:TS-B](#)) rallied 10% today after its quarterly results topped Bay Street expectations.

So what: The stock has plunged over the past year on rapidly declining ad revenue, but today's Q4 results — flat earnings of \$20.6 million on revenue of \$366.5 million — suggest that things are at least starting to stabilize. While print ad spending remains heavily pressured, management's recent digital initiatives and "multi-platform" approach seems to be taking hold.

Now what: Looking ahead, Torstar expects multi-platform subscriber revenue to be relatively stable, with modest growth in distribution revenue. "Ongoing restructuring efforts will help to mitigate the earnings impact of the anticipated advertising revenue pressure," President and CEO David Holland said. "As we resize the cost base, we remain disciplined and committed to ensuring that we continue to invest in those areas of greatest value to our customers as we adapt to the evolving media environment."

More important, with the stock still off about 50% from its 52-week highs, there's likely plenty of room left to buy into that turnaround talk.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:TS.B (Torstar)

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Date

2025/07/05

Date Created

2014/03/05

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