# 1 Income Stock With a Remarkable 8.4% Yield

## Description

Many income investors may be skeptical when it comes to dividend stocks that yield more than 6%. If you've tried to give yourself a raise in the past by picking up shares of companies with artificially high yields, then you may have experienced the pain associated with a dividend cut. Not only will your monthly payments be reduced or eliminated, but stock price depreciation is likely to follow since income investors don't take too kindly to cuts in their monthly payments.



While artificially high yields are usually red flags that require additional research on the investor's part, there are some stocks with artificially high yields that may be more stable than you'd expect, especially in the case of businesses with shareholder-friendly management teams and that have been hit with a temporary industry-wide headwind.

Consider **Corus Entertainment Inc.** (TSX:CJR.B), a Canadian media and entertainment company that was spun off from **Shaw Communications Inc.** The company offers a whopping 8.4% yield at the time of writing, and although the stock took a massive 64% plunge from peak to trough in 2014 to 2016, the dividend has remained intact, and the stock has since rallied by over 45%.

With huge risks come huge rewards. Investors who had the confidence to own Corus shares after the plunge enjoyed a massive dividend yield to go with huge capital gains. Corus is not out of the woods yet, but the company appears to be on the right track, and that's good news for the dividend.

**Solid third-quarter results**

Corus recently rallied following a promising earnings report which saw adjusted basic earnings per share jump to $0.35 — up a cent from Q3 2016. Television segment revenues increased 31.5% to $422.3 million from $321.18 million during the same period last year. On a year-over-year basis, there were many improvements across the board, and I believe the post-earnings rally was warranted and could be the start of a sustained rally to higher levels.

The Shaw Media Inc. acquisition gave the company a nice boost, and it appears the deal could be a catalyst that could propel Corus out of its funk.

Corus currently trades at a 1.1 price-to-book multiple and a 1.6 price-to-sales multiple, both of which are lower than the company's five-year historical average multiples of 1.5, and two, respectively.

Corus is still a dirt-cheap stock that looks to be a terrific long-term contrarian play as well as a great high-income play for aggressive income investors looking to give themselves a massive raise.

Although the dividend is not the safest out there, it's certainly safer than a lot of dividends that yield less than 8%.

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1. Editor's Choice

**TICKERS GLOBAL**

1. TSX:CJR.B (Corus Entertainment Inc.)



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