



## Corus Entertainment Inc. Was Up 19% Yesterday Despite Showing Minimal Growth in Q2

### Description

**Corus Entertainment Inc.** ([TSX:CJR.B](#)) released its Q2 results on Thursday, which didn't show much growth but did manage to beat expectations. The stock got a big boost from the results and rose 19% by the close. However, for a stock that's taken a beating this year, this could be the start of a much bigger recovery.

Let's take a closer look at the company's results to see whether it's a good buy today.

### Revenues remain flat while profits climb

Corus didn't see much change in its top line, but earnings per share of \$0.19 were well up from the \$0.12 that the company recorded in the previous year.

Net income rose 43% as the company rebounded strongly from a disappointing [Q1](#), which triggered a free fall in the stock's price. In total dollars, Corus was able to add more than \$17 million to its pre-tax earnings, with \$7 million coming from reduced interest expenses. The company also incurred \$2 million less in depreciation costs while seeing its direct, general, and administrative expenses decline by nearly \$9 million.

### Segmented results show little improvement

Television-related profits increased by 2%, while the radio segment saw its earnings rise by more than 8%, but that amounted to just half a million more in profit. The big improvement in the company's segmented profit came from the corporate segment, which a year ago incurred a \$5 million loss and this year contributed over \$2 million in profit as Corus had a share-based compensation recovery of over \$6 million for the quarter.

### The company didn't cut its dividend

Despite speculation that the stock's dividend was too high and would be due for a cut, it didn't happen, at least not yet. The company's payouts are still very [manageable](#); just because the stock price has

declined, that doesn't make the dividend payment any less likely to continue.

### **CEO focuses on the positives**

Corus CEO Doug Murphy didn't inspire investors with his commentary in the last quarter, which I [suggested](#) may have played a role in the stock's decline. However, Murphy is now focusing on what the company is doing well and how it plans to adapt to changes in the industry.

In the earnings release, Murphy stated that "Moving forward, Corus remains focused on maximizing and monetizing our high-value audiences, and we have a solid roadmap in place to position the organization for success over time within a changing media landscape." This is a much more positive outlook that will send a more encouraging message about the company's future and could help bring investors back from the ledge.

### **Corus is a great buy today**

The stock was a bargain before it got a boost from the earnings result yesterday; now, with the company proving it isn't destined to fail, we could see the share price start to gain momentum. The stock is still well below its book value, and it could earn you a phenomenal dividend while also giving you an excellent opportunity to benefit from strong capital appreciation along the way.

Corus is a great buy, and it's a perfect example of when you should ignore the noise and focus on the company's fundamentals.

### **CATEGORY**

1. Dividend Stocks
2. Investing

### **TICKERS GLOBAL**

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

### **PARTNER-FEEDS**

1. Msn
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