



These 2 Heavily Discounted Canadian Media Companies Are Absolutely Taking Off!

Description

Following an absolutely horrendous stretch where [you wouldn't have wanted to go anywhere near](#) either company with a 10-foot pole, shares in **DHX Media** (TSX:DHX) and **Corus Entertainment** ([TSX:CJR.B](#)) have taken off in September.

Since reporting fourth-quarter earnings on Monday, DHX shares have soared 29% the rest of the week and are up an even more incredible 81% from the stock's September 13th five-year low following its recently completed strategic review.

Corus, meanwhile, has seen [its shares rebound 15% this month](#) after making a new 10-year low the month prior.

Both companies have been the unfortunate victims of the “cord-cutting” phenomenon that has pervaded traditional media outlets over the past decade, as younger viewers have begun to increasingly shift their viewing habits towards digital and online formats.

That trend is particularly worrisome for Corus, perhaps more so than it would be for DHX, as the former has literally millions of dollars tied up in cable television and radio properties.

DHX, meanwhile, is a little better off.

DHX acquired the Family Channel from **BCE** back in 2013 at a cost of \$170 million, and that deal, for the most part, hasn't really paid off. But it still owns an impressive library of children's content that, if it wanted to, could be distributed and sold through a variety of means.

While streaming platforms like **Netflix** and **Amazon's** Prime Service seem like obvious fits given the need for both of those services to round out their core offerings, DHX is proactively taking matters into its own hands; it announced on its fourth-quarter call that it plans to continue to invest in its own online platform “WildBrain” — a platform the company has enjoyed considerable success with to date.

As of the end of the fourth quarter, WildBrain boasted over 50 million online subscribers that had

access to the company's over 110,000 videos available in more than 22 languages.

And momentum continues to build in the online platform, which experienced 136% growth in watch time this year, up to 25 billion views between July 2017 and June 2018, adding up to over 129 billion minutes watched of DHX programming.

Bottom line

As part of its recently completed strategic review, DHX managements says it plans to continue to invest in online children's content and expects to see double-digit top-line growth for its online platform in the next year.

Given the rapid mass-scale adoption of mobile devices and the undeniable shift in viewing patterns towards on-demand digital media, 2019 could be a very big year for DHX as it embarks on the next leg of its ambitious turnaround strategy.

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