The Content Streaming War Begins: Can This Canadian Stock Compete?

### Description

Post-Oscars, the entertainment industry is about to get crowded, with major players getting into position to win the content streaming crown. However, there is at least one stock on the TSX index that may be able to step up to the plate, so let's take a look at its stats and see how they compare to one serious American contender for the throne.

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## Rogers Communications (TSX:RCI.B)(NYSE:RCI)

This popular wireless communications stock operates on several levels, but it's the media segment that's of interest here. Besides owning the Toronto Blue Jays as well as the Rogers Centre venue, Rogers Communications provides TV and radio broadcasting, multi-platform shopping, as well as digital media services. In short, it's one of the few Canadian stocks that operate in a similar space as the American FAANGS.

Though its one-year past earnings growth of 11.6% improves on a five-year average of 4.5%, Rogers Communications' real ace up the sleeve is its quality, shown by a past-year return on equity of 25% and set to continue with a three-year ROE of 23.3%. While a 7.9% expected annual growth in earnings is on the low side, and a dividend yield of 2.75% falls below the 3% low tide mark, both beat the stats of the next stock on our list.

Rogers Communications' balance sheet could be healthier, though its level of debt compared to its net worth has in fact gone down over the last five years, from 299.8% to 202.3%; however, that level remains high – perhaps too high for the casual long-term shareholder with little appetite for risk. In the meantime, a P/E of 18.2 times earnings and P/B of 4.6 times book suggest that valuation could be a tad better.

## Apple (NASDAQ:AAPL)

Like **Disney**, Apple is getting ready to steal the streaming crown from **Netflix**, having fired the starting gun Monday with a star-studded unveiling of Apple TV Plus set to launch this fall. Apple suffered along with the rest of the market in the 2018 fall massacre, though, also like many other stocks, it's been recovering steadily since the start of 2019, and is sure to see a boost following one of the biggest events in tech for a long time.

Apple's debt 97.3% of net worth is high and represents an increase over the past five years, which may increase the risk quotient above what a casual long-term investor might be comfortable with. Indeed, with competitors on all sides, and fierce conjecture remaining an ongoing facet of the tech consumer community, there are no assurances that stacking Apple shares comes with no risk attached.

However, up by only 0.38% in the last five days at the time of writing, observers and investors alike can expect to see Apple's share price rise apace as confidence in the company grows following Monday's big multi-media event. Indeed, tech stock fans uninterested in Apple's performance in the hardware sector may look afresh at its stock if the company approaches parity with Netflix's business model.

## The bottom line

Apple is positioning itself to be a market leader in content streaming, while serious contenders such as **Amazon** and Disney look set to duke it out. Meanwhile, down 2% in the last five days, TSX index investors may be missing a trick with Rogers Communications, which may be well placed to reap the rewards from a home entertainment industry that has in no way stopped growing.

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