# 2 Media Stocks Below $10: Should You Buy in April?

### Description

Old media stocks have encountered severe turbulence over the last two years. Changing consumer behaviour represents a real threat to the legacy media, and traditional television providers are scrambling to adjust. This year has seen an increase in streaming services offerings. Some legacy media providers are attempting to dip into this growing market, but they face a steep challenge.



Today, we are going to look at two media stocks that have struggled in recent years as both companies wrestle with these changes. Is there any reason to buy in April? Let's dive in.

## Corus Entertainment (TSX:CJR.B)

Corus Entertainment is a Toronto-based media and content company that operates through two segments; television and radio. Shares of Corus have surged 53.3% in 2019 as of early afternoon trading on April 11. The stock is now up 4.1% from the prior year.

The company released its fiscal 2019 first-quarter results on January 11. Consolidated revenues rose 2% year over year to $467 million primarily due to a 4% increase in television advertising revenues. However, adjusted net income fell to $70.1 million compared to $78.8 million in the prior year and adjusted basic earnings per share dropped to $0.33 over $0.38 in Q1 fiscal 2018.

Last year, Corus shifted from a monthly dividend payment of $0.095 per share to a quarterly payment of $0.06 per share. This pushed its yield down to around 3% compared to its original yield, which hovered around the 8-10% mark. Still, shareholders have reaped the benefits of its new capital-allocation policy.

Corus is now trading close to its 52-week high. The stock had an RSI of 82 as of this writing, which puts it deep in overbought territory.

## DHX Media (TSX:DHX.B)(NASDAQ:DHX)

DHX Media is a Halifax-based children's content and brands company. Shares have dropped 13.4% in 2019 as of early afternoon trading on April 11. The stock was down nearly 50% from the prior year.

The company released its second-quarter results on February 12. Total revenue hit $117 million in Q2 2019 compared to $121.9 million in the prior year. DHX Media reported a net loss of $17.9 million, or $0.13 per share, compared to net income of $7.4 million, or $0.06 per share, in Q2 2018.

DHX has reported solid success from its WildBrain property. WildBrain is a children's content creator on platforms like YouTube, **Roku**, **Apple** TV, and others. Views at WildBrain grew 29% to more than seven billion in the second quarter. Revenue climbed 13% to $19.9 million, which represents its largest reported revenue so far.

DHX stock is currently trading at the low end of its 52-week range. The stock had an RSI of 32 as of this writing, which puts it close to oversold territory. Revenues have climbed in the first half of fiscal 2019 compared to the prior year. The results at WildBrain are encouraging and the company plans to "sharpen its focus" when it comes to digital content going forward.

**CATEGORY**

1. Investing

**TICKERS GLOBAL**

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