



## Why Corus Entertainment (TSX:CJR.B) Stock Fell 17% in July

### Description

If you were to judge **Corus Entertainment** ([TSX:CJR.B](#)) stock by some of Motley Fool Canada's best and brightest, you would have sworn July would have turned out better.

Unfortunately, despite the reasonably solid third-quarter results from Corus, Corus stock fell 17% in July, falling as low as \$5.03 before recovering slightly in the first few days of August.

On the top line, Corus delivered \$458.4 million in revenue, 3.9% higher than a year earlier on strong results from its television operating segment (up 4.6%), offset by weaker radio sales.

On the bottom line, Corus had adjusted profits of \$0.31 a share, 16.2% lower than a year earlier. Again, if not for poor results from its radio operations, it would have delivered earnings growth in the quarter.

CEO Doug Murphy was thrilled with the quarter, pointing out that it was the third consecutive quarter of revenue growth — a sign the company's television business is on the mend.

Highlights in the quarter included the introduction of STACKTV on **Amazon** Prime and an increase of owned content for Canadian television viewers.

It should have been different.

"In addition to being profitable and growing its sales, Corus also saw another strong quarter of positive free cash flow, which was up 2.7% from a year ago. It's good to see as it ensures that the company can fund its own growth and helps it continue to pay dividends as well," Fool contributor David Jagielski [stated](#) after Corus released Q3 2019 earnings.

The Fool's Joey Frenette went as far as [suggesting](#) that Corus stock could realistically double, suggesting that its dirt-cheap valuation overrides the high-risk bet.

It's hard to imagine that August will deliver another month like July, but we're only a third of the way through it.

I guess we'll see.

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