



This 1 Entertainment Stock Is Showing Signs of a Breakout in 2020

Description

Just when everybody thought that **Corus Entertainment** ([TSX:CJR.B](#)) was done for good in 2018, the media and content company made [a spectacular comeback](#) last year. From a net loss of \$784.5 million the previous year, Corus stunned the crowd with a \$156 million profit in 2019.

The advances in technology in the digital age are a bane to operators of conventional television networks and radio stations like Corus. Live streaming, in particular have drawn people away from the TV. Audiences can watch content online and in real time.

To add insult to injury, many advertisers also move ads from TV to social network platforms. Mobile devices have unseated television as the normal method of airing commercials.

Despite the challenges, Corus is turning the corner. After the impressive financial results in 2020 and the great start in 2020, market analysts see the stock rising from the pit.

In the next 12 months, they are estimating Corus to climb by as much as 107%. Combined with the 4.48% dividend, investor earnings could hit the roof.

Back on track

Investors of Corus some three years ago lost 48.05% in this entertainment. But the positive operating momentum the company mentioned in its fiscal 2020 earnings call should delight investors.

Corus remains as Canada's leading pure-play media and content company. This \$1.11 billion enterprise is still in a unique position to succeed and cope with the fast-changing media environment.

According to Corus President and CEO Douglas Murphy, the company is bent on setting the industry standard in advanced advertising by pioneering new solutions to evolve how television is sold. Similarly, its portfolio of channel brands such as Corus Studios, Kids Can Press, Nelvana, and Toon Boom are growing fast.

The CEO also cites management's disciplined approach as the reason why Corus continues to endure and prove resilient in the face of the challenges of disruption.

Specialty networks to shine in 2020

Last week, Corus made the announcement of the upcoming slate of 50 new original scripted made-for-television movies. The move reinforces the company's commitment to support independent production and cultivate industry talent at the domestic front.

Corus struck partnerships with Champlain Média Inc. and Neshama Releasing, both of whom are the leading independent production companies. The new collaboration adds to a growing list of original content deals Corus sealed with other Canadian producers.

The company is banking on made-for-television movies to be shown on its specialty networks to continue captivating audiences. During the recent holiday season, Corus' W Network was ranked as the number one Specialty Entertainment station (adults and women ages 25-54).

Corus Vice-President of Original Content Lisa Godfrey is confident that the investments in Canadian movies will drive growth because of quality content and passionate storytelling.

Signs of a breakout

The weak performance of Corus in the past three years is enough to write off the stock from the list of [investment prospects in 2020](#). But with management and analysts showing optimism on the business, this entertainment stock deserves a second look.

The \$5.31 price tag is a good entry point before Corus springs another surprise.

CATEGORY

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

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