



Revealed: The Best TSX Stock To Buy Today

Description

Every stock has a certain amount of upside potential, as well as some risks that go hand in hand with its business operations. It's an investor's job to analyze that risk as well as the potential upside and make a decision about the value of that specific opportunity.

What makes it complicated is the introduction of opportunity cost into the mix, and the cost of not investing in other companies that may have more upside potential or possibly lower risk.

That's why investing can be so difficult — because you're consistently evaluating risk-to-reward of hundreds of companies against one another in order to decide which stock to buy.

One stock that's been regrouping and is still at the bottom of its turnaround has very little risk left in its stock, especially because it's trading for so cheap.

At the same time, because the company is in turnaround mode, it's been rebuilding its operations and strengthening the business as a whole, creating major upside potential and making it one of the best value stocks on the market.

The company is none other than **Corus Entertainment Inc** ([TSX:CJR.B](#)). Corus Entertainment is a media company with radio and TV assets as well as being a content creator itself.

The business has been in a major transition over the last few years, and things are largely looking up for Corus, especially at this attractive valuation.

More than 90% of its revenue comes from its television businesses, which is at the core of its operations. The company has a two-pronged approach, receiving advertising dollars from their free channels as well as subscriber revenue for their specialty channels.

As well, 65% of the revenue comes from advertising, with 30% coming from subscribers, leaving just 5% of its revenue coming from other sources.

The operations of the business aren't all that exciting, but what *is* exciting is the [extremely cheap valuation](#)

of the company that's currently offering investors this high-quality business for less than 4.0 times its free cash flow.

The stock dropped massively a couple years back, as Corus' debt had gotten out of control, forcing it to trim the dividend in order to reduce its debt to an adequate level.

Since then, Corus has executed this to perfection, reducing it now to a debt to equity of just 1.0 times, a much more stable financial position.

It also recently had its credit rating upgraded, which is huge for Corus, a company whose top financial priority has been to reduce its debt to get into a more stable and flexible financial position.

The stock appears to have a lot of love from analysts too, with the consensus one-year analyst target price of \$8.80 — more than 75% upside from its current price.

The highest analyst estimate has it reaching \$11, which is 120% higher than it is at writing. The lowest target price is \$7, still roughly 40% upside from its current trading price of roughly \$5.

It's only a matter of time before this high-potential stock breaks out, and with its attractive dividend yielding 4.85% — paying you to hold the stock, Corus is one of the best long-term opportunities on the **TSX**.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

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

PARTNER-FEEDS

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