



BUY ALERT: Should You Add Corus Entertainment (TSX:CJR.B) Stock Today?

Description

The **S&P/TSX Composite Index** increased 269 points on July 14. This was a welcome rebound, as investors have been getting jittery due to high valuations and a reeling economy. Today, I want to take a closer look at **Corus Entertainment** ([TSX:CJR.B](#)) stock. It just recently set off a buy signal. Still, is it worth your consideration today? Let's dive in.

Corus Entertainment stock: The story in 2020

Corus is a media and content company that operates specialty and conventional television networks as well as radio stations in Canada and around the world. Shares of Corus Entertainment have plunged 52% in 2020 as of close on July 14. The stock has failed to gain momentum in the spring or early summer.

The company released its third-quarter fiscal 2020 results on June 26. Consolidated revenues dropped 24% year over year and 9% in the year-to-date period. Meanwhile, segment profit declined by 35%, while Corus reported a net loss of \$752.3 million, or \$3.61 per share.

In the third quarter, Corus saw improved viewership and engagement across all platforms. However, the negative economic impact of the pandemic meant that these audiences were "not optimally monetized." Fortunately, subscriber revenue was a bright spot due to the performance of its STACKTV offering. In early June, I'd discussed how Corus's [drive into the digital space](#) could provide a huge boost going forward.

Why the entertainment sector is in crisis

Corus may be struggling, but it is not alone in the entertainment space. The company has been able to hang its hat on improved viewership across its platforms. If this can hold, Corus holds hope on being able to more effectively monetize this climate in the quarters to come.

Other entertainment stocks have not been so lucky. **Cineplex** has been [throttled in 2020](#), as it was

forced to cease operations across Canada in the face of the pandemic. Production for films and television shows ground to a halt as creators were forced to stop operations due to COVID-19. These operations have restarted in some regions. However, the massive United States film industry is still in flux as the nation wrestles with a rising COVID-19 case load.

Fortunately, Corus is in a unique position to come out of this crisis in a good place. News media has thrived during the pandemic. As the economy reopens, advertising activity will roll along with it. This should provide a boost for Corus to close out this fiscal year.

Should you buy Corus Entertainment stock today?

Shares of Corus Entertainment last had a price-to-book value of 0.5. This represents attractive value for the stock right now. Moreover, Corus stock had an RSI of 24 as of close on July 14. This puts its shares in technically oversold territory. Corus last announced a quarterly dividend of \$0.06 for its Class B shares. Investors can no longer count on a monthly distribution. However, this quarterly payout still represents a monster 10% yield.

Corus Entertainment stock is in a good position to bounce back, as the company looks to capitalize off increased viewership in 2020.

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aocallaghan

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