



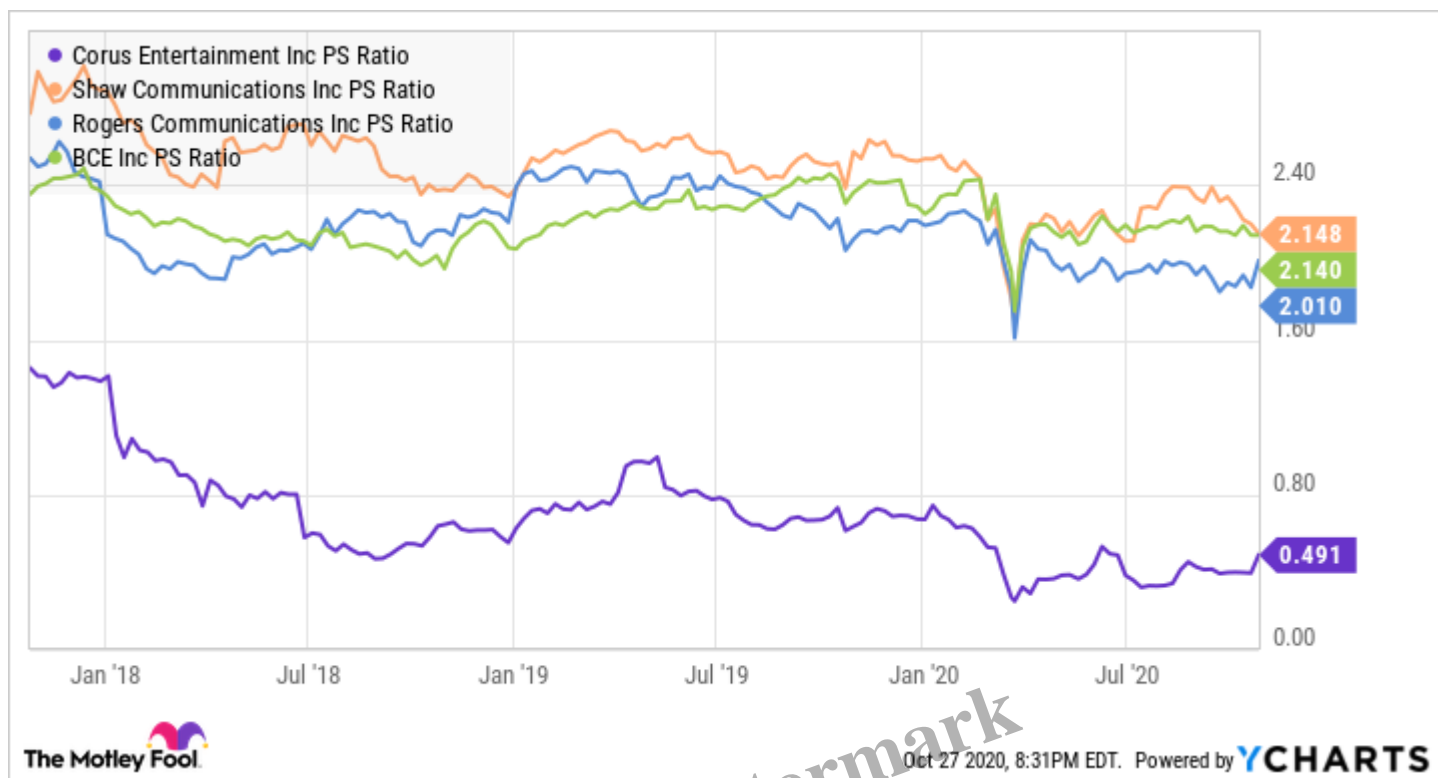
This Dividend Stock Has Been Soaring 27% This Month, and it's Still Yielding 6.6%!

## Description

October hasn't been the greatest month for the TSX with the index down 0.6% thus far. Concerns surrounding a rise in coronavirus cases has been weighing down the markets of late. However, not all stocks are struggling, and one that's particularly doing well is **Corus Entertainment** ([TSX:CJR.B](#)). The stock finished the month of September at just \$2.89, and on Tuesday it closed at a price of \$3.66 — an increase of 27%.

## What's behind the surge?

Although it may seem like Corus is a hot buy, the reality is that the stock has been struggling in recent years. Even with the recent bump up in price, it's down 70% over the past three years. [Lacklustre revenue numbers](#) and advertisers moving to online channels over the years hasn't made investors too optimistic about Corus's future. Even today, with the stock trading at less than 0.5 times revenue, it's nowhere near the multiple that investors are paying for other media companies:



But the stock has been cheap for a while, what's set Corus on fire of late is the company finally released a quarterly report that investors didn't hate. The company's net income of \$33.8 million for the fourth quarter was better than analysts were expecting and an 18% improvement from the prior-year period, despite the impact of COVID-19. However, revenue of \$318.4 million for the quarter up until the end of August was down 16% year over year, as sales from TV ads declined by 25% during the period. But that's still an improvement from the previous period when ad revenue fell by 31%.

CEO Doug Murphy stated that the quarter exceeded expectations and that things were looking a bit brighter, noting the improvement in advertising demand and "impressive STACKTV subscriber growth." And with 70% of its employees working remotely, Corus has been able to adapt to the pandemic and to help keep its costs low, which is crucial in staying out of the red during these difficult times.

With multiple positives to take away from the recent earnings result, it's not a surprise that Corus stock is rising in value.

## Is the stock a buy today?

Although the 27% jump in price this month is impressive, there's still [a lot more potential upside](#) for investors who buy shares of Corus today. As advertisers slowly come back and are spending more money, the company should continue to see its revenue numbers get stronger.

What sweetens the deal is that Corus still pays an attractive dividend. Its quarterly payments of \$0.06 are currently yielding 6.6% annually. On a \$25,000 investment, that could generate \$1,650 in annual dividend income for your portfolio. Add that recurring income onto the potential capital gains you can earn from holding onto this stock for the long term, and you could have some impressive returns.

If you're looking for an undervalued dividend stock that still has lots of potential, Corus is a stock you should consider investing in today. Even if it takes a while for the stock to rise much higher than where it is today, the dividend payments will offer you plenty of incentive to just sit back and wait as you watch the cash roll in.

## CATEGORY

1. Dividend Stocks
2. Investing

## TICKERS GLOBAL

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

## PARTNER-FEEDS

1. Business Insider
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