



## Wow! This TSX Stock Is up 35% Since it Reported Earnings

### Description

This earnings season has been extremely eventful already, and we are barely halfway through it. The pandemic has impacted every **TSX** stock in one way or another, making it one of the most important earnings seasons for investors in years.

Because each business is being impacted differently, there have been a variety of results out of companies. From businesses that are still struggling with lost revenue to tech stocks smashing earnings and growing their business rapidly.

However, with so much to watch and pay attention to, it's easy for some smaller stocks to go unnoticed by investors, regardless of how impressive their performance has been.

One of those stocks is **Corus Entertainment** ([TSX:CJR.B](#)), one of the top value stocks on the TSX.

### TSX entertainment stock

Corus reported earnings in late October, and since then, the stock has rallied roughly 35%. This shouldn't be a surprise to investors who follow the stock. I even told investors ahead of time that Corus could [report strong earnings](#).

Corus saw a major impact on its business in the initial stages of the pandemic, so a bounce-back quarter was necessary to get the TSX stock back on track.

And with all the headwinds it's faced in the last few years, and now the pandemic once again acting as a headwind, the stock has been beaten down, offering investors a significant deal. That's one of the main reasons why I recommended the stock.

### Corus's earnings

In Corus's most recent quarter, which ended in August, the stock saw advertising revenue drop a

whopping 25% compared to the same quarter in 2019.

Despite that, the company worked extremely hard on cost-cutting efforts and actually slightly improved its margins.

In the end, Corus managed to earn \$0.16 per share in adjusted earnings for the fourth quarter. That brought its fiscal 2020 adjusted earnings per share to \$0.75. The company also earned more than \$0.40 a share in free cash flow during the fourth quarter.

For a TSX stock that saw its revenue decrease by over 25%, Corus has reported extremely impressive earnings. The company has shown it can clearly handle the pandemic and is positioning itself for continued growth once the economic effects of the pandemic subside.

## Corus's value

After news of a [potential coronavirus vaccine](#) pushed the stock up more than 6% on Monday, shares now trade at their highest level since the pandemic began, yet there is still a tonne of room for the stock to grow.

Trading at roughly \$4 a share, the TSX stock is extremely cheap, valued at roughly 5.3 times earnings.

What's even more impressive is that the TSX stock's price to free cash flow is less than three times. That means if you bought the stock today, in fewer than three years, the company would have generated the same amount in free cash flow as you're paying to buy the stock now.

And because the company has proven to be such a cash cow, investors don't have to worry about its dividend. Currently, Corus pays a 5.9% dividend.

Between the dividend and the considerable upside the stock still has, Corus is one of the top buys today, especially since there is a lot more clarity around its business operations than almost every other dirt-cheap TSX stock.

## CATEGORY

1. Dividend Stocks
2. Investing

## TICKERS GLOBAL

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

## PARTNER-FEEDS

1. Business Insider
2. Koyfin
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**Date**

2025/08/25

**Date Created**

2020/11/10

**Author**

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