



Cineplex vs Score Media: Which Is the Better Buy?

Description

The entertainment sector has undergone significant shifts during the COVID-19 pandemic. Today, I want to look at two stocks that have gone in opposite directions since Canada pursued restrictions and lockdowns in the early spring of 2020. **Cineplex** ([TSX:CGX](#)) is Canada's top movie theatre operator. **Score Media** (TSX:SCR)(NASDAQ:SCR) owns and operates digital sports media and sports betting products. Which stock should Canadian investors bet on today? Let's dive in.

Movie theatres have been dealt another blow

Movie theatre operators and employees had hoped for a return to normal by the spring of 2021. However, new case variants and a disappointing vaccine rollout in Canada have squashed those hopes. Ontario, the most populous Canadian province, just entered its third lockdown. There is no telling how long this will stretch.

In late March, I'd suggested investors should ignore Cineplex and [look elsewhere](#). Shares of Cineplex have surged 52% in 2021 as of late morning trading on April 14. The stock is up 8% from the prior year. However, Cineplex stock is still worth less than half of its value in late February 2020, just before the pandemic reared its head in Canada.

The company saw total revenues plunge 88% in 2020 to \$52.5 million. Meanwhile, total attendance dropped 95% to 0.8 million. Unfortunately, it looks like it will be months before Canada has its hands around the vaccine rollout. Even in the United States, which has boasted a stellar vaccine rollout, rising variant case counts are becoming a concern for public health leaders. There is no telling when movie theatres will be able to return to business as usual. This is a sector to avoid like the plague.

Why Score Media is an exciting target right now

While some spaces in the entertainment sector have struggled, others are thriving in the face of the pandemic. Canada has made progress in introducing single-game sports betting. This lucrative market holds huge promise. Major sports leagues had pushed back against legal sports gambling in decades

past. However, the pandemic has seemingly extinguished the last holdouts. The profits are too tantalizing to pass up as major sports have also been throttled during this crisis.

Score Media is in a great position to benefit from the legalization of single-game sports betting in Canada. The company offers theScore betting app, which is very popular among Canadian sports consumers. It has also expanded into states that have moved ahead with legal sports betting in the United States. Shares of Score Media have increased 58% in 2021. The stock is up 467% year over year.

This week, I'd [suggested](#) that millennial investors should stash Score Media for the long term. Score Media's theScore betting app is the most actively used free sports app in Canada, ranking first on the Google Play store. This is a stock well worth buying as Canada looks poised to jump into this promising market.

Which stock should you buy today?

It should be clear that I'm staying away from Cineplex and I'm much more inclined to snatch up Score Media in the middle of April. These respective industries are moving in different directions in the face of the pandemic.

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