



ALERT: Could This Cheap Value Stock Be the Next Netflix?

Description

Stingray ([TSX:RAY.A](#)) is a leading music, media, and technology company with over 1,200 employees worldwide. Stingray is a premium provider of [curated direct-to-consumer services](#), including audio television channels, radio stations, karaoke products, digital signage, in-store music, and music apps.

Stingray's business model has some similarities with **Netflix** ([NASDAQ:NFLX](#)). Stingray reaches 400 million subscribers in 156 countries. The company delivers a first-class experience to entertainment content providers, commercial clients, and directly to consumers worldwide. This is driven by Stingray's customizable capabilities and wide array of multiplatform music products.

Powerful distribution model

Stingray's distribution model is focused on providing [high-quality music content](#) through a multitude of platforms in exchange for a payment on a recurring and contractual basis. Revenue from the company's music broadcasting and television channels business is generated on a payment-per-subscriber basis.

Stingray's business model is based on a non-interactive, linear business model, resulting in a more advantageous rights structure compared to other service providers operating on an interactive business model, such as **Apple** Music. Revenue from the company's commercial music business is generated on a monthly subscription fee per location.

Canada's leading radio broadcaster

Stingray Radio is one of Canada's leading radio broadcasters with 104 licences across Canada. The company reaches millions of listeners each week through a variety of formats and is a recognized as a industry leader in radio programming, sales, and networking. Stingray holds the second-largest number of radio licences in Canada.

Growth by acquisition

Acquisitions have been a major driver of growth for Stingray. Since the company's inception in 2007, it has made 41 strategic acquisitions representing outlays of over \$800 million aimed at gaining exposure to new markets and enhancing Stingray's product portfolio in existing markets. These transactions have proven to be synergistic while further growing the company's business.

Stingray reaches hundreds of millions of households and tens of thousands of commercial establishments across the globe. Stingray has achieved this growth through various strategic initiatives, including organic growth and acquisitions.

Diverse product offerings

Stingray also offers various business solutions, including music and digital display-based solutions, and new consumer insights through the company's business division. The majority of Stingray's radio station revenue is advertising based and therefore subject to economic fluctuations. Radio stations generate revenue by selling advertising airtime to clients, who are primarily in the retail industry.

Stingray effectively sells and markets products to major companies, such as cable and telecom companies and retailers, as well as to small and medium businesses and directly to consumers.

Forging profitable partnerships

Solid partnerships with the company's content partners are the foundation of Stingray's success. Over the years, Stingray has developed long-term relationships with certain content partners such as music labels, publishers and content distributors worldwide. Stingray pays royalties to labels and publishers through contracts negotiated with music labels, content distributors and music rights collection societies.

In addition, Stingray is maximizing the digital revenue opportunity by providing various audience extension opportunities for the company's clients to use digital advertising in conjunction with radio advertising. This could be a huge opportunity for Stingray.

CATEGORY

1. Investing

POST TAG

1. canada

TICKERS GLOBAL

1. TSX:RAY.A (Stingray Group Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Investing

Tags

1. canada

Date

2025/08/17

Date Created

2021/05/02

Author

nikhilwaterloo

default watermark

default watermark