



## Forget Cineplex: Buy These Streaming Stocks Instead

### Description

The **S&P/TSX Composite Index** was up 65 points in late morning trading on May 27. Many sectors have suffered mightily due to the COVID-19 pandemic. The movie theatre industry was already facing challenges due to the rise of streaming services and other popular forms of home entertainment. However, **Cineplex** ([TSX:CGX](#)) has managed to put together a strong 2021, as its backers expect a bounceback in the months ahead. Shares of Cineplex have climbed 83% year to date at the time of this writing.

### Will Cineplex stage a comeback in the second half of 2021?

Last week, I [discussed](#) why Ontario's reopening plan was bad news for Cineplex in the near term. Premier Doug Ford's plan has attracted criticism from a broad array of industry leaders. Movie theatre and restaurant operators are particularly frustrated as they have been kept in the dark regarding the province's plans.

Cineplex CEO Ellis Jacob was very critical of the plan. "It is absurd," Jacob said. "We are all losing the summer. Canadian cinemas have welcomed more than six million guests during the pandemic and there have been zero resulting cases of COVID-19 in Ontario, Canada, or the world." Jacob also pointed out that theatres had been operating safely in Quebec at limited capacity since February.

Shares of Cineplex are behaving like investors expect a strong rebound in the second half of 2021. Cinemas will hope to take advantage of long-delayed releases like *No Time to Die* and others. However, I've still got my eyes on streaming stocks instead.

### Why I've got my eyes on these streaming stocks in late May

Earlier this month, I'd discussed why Canadians [should look to equities](#) in the streaming space. Canada is not home to any giants like **Netflix** or **Amazon**, but it does boast some promising smaller players in this space.

**WildBrain** ([TSX:WILD](#)) is a Halifax-based media, production, and brand licensing company. Its shares have increased 53% in 2021. The stock is up 98% from the prior year.

It released its third-quarter fiscal 2021 results on May 11. WildBrain posted revenue growth of 4% to \$102 million, while its net loss improved to \$26.5 million over \$221 million in Q3 FY2020. Meanwhile, WildBrain revenue rose marginally to \$9.6 billion – up from \$9.5 billion in the previous year.

WildBrain has made major strides in the children's entertainment space online. This is a streaming stock I'm looking to snag over Cineplex today.

**Corus Entertainment** ([TSX:CJR.B](#)) is a Toronto-based multinational mass media and entertainment conglomerate. Its stock is up 39% so far this year and 83% from the same period in 2020. The company has recently looked to break into the streaming space with its extensive media offerings.

In Q2 fiscal 2021, Corus reported a 5% dip in revenue and a 3% drop in segment profit. However, merchandising, distribution, and other revenues enjoyed growth on the back of strong content licensing sales. Corus was also hit by a decline in television advertising sales due to the COVID-19 pandemic.

This stock currently offers a [quarterly dividend](#) of \$0.06 per share, which represents a 4% yield. Cineplex has yet to restart its dividend after it was forced to suspend it last year.

## CATEGORY

1. Investing

## TICKERS GLOBAL

1. TSX:CGX (Cineplex Inc.)
2. TSX:CJR.B (Corus Entertainment Inc.)
3. TSX:WILD (WildBrain Ltd.)

## PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
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