Buy These 2 TSX Stocks Instead of Netflix

Description

Wall Street expects Netflix to report stellar results in its next quarterly earnings report date. Despite the bullish sentiment, the share price is a bit pricey for regular investors. Besides, the stock continues to underperform in 2021 with its 7% year-to-date loss.

Instead of Netflix, Canadians have two investment choices in **TSX'**s communication services sector. **Corus Entertainment** (TSX:CJR.B) and upstart **WildBrain** (TSX:WILD) could deliver better, if not superior, returns than the streaming services giant.

Significant milestone

Corus Entertainment (+44.71%) outperforms Netflix and the TSX (+13.87%) thus far in 2021. The Toronto-based firm that develops high-quality brands and content across platforms has several growth catalysts. Market analysts recommend a buy rating because of recent positive developments. They forecast the stock to climb 63%, from the current price of $6.13 to $12.

The $1.27 billion media and content company's support for Canadian content and creators is unwavering. Corus will soon feature a diverse mix of original lifestyle, factual, and children's series that should boost audience viewership. Production powerhouses Corus Studios and Nelvana are its esteemed partners.

Corus's powerful multimedia portfolio consists of 33 specialty television services, 39 radio stations, and 15 conventional television stations. The slate of premium original content for 2021-22 is impressive. All its specialty networks, namely HGTV Canada, Food Network Canada, History, Adult Swim, and Kids' channels will have new and returning series.

In Q2 fiscal 2021 (quarter ended February 28, 2021), the number of paying subscribers on streaming platforms doubled to over 500,000 from the prior year. The net income attributable to shareholders and free cash increased 91% and 38% compared to Q2 fiscal 2020.

Apart from the significant milestone, Corus's President and CEO Doug Murphy said the Q2 results demonstrate strong operational momentum. He cites the recovery in TV advertising revenue recovery, robust paid streaming subscriber gains, and double-digit growth in the content licensing business.

Fantastic growth potential

WildBrain's growth potential is fantastic. The $472.4 million company is a global leader in kids and family entertainment. Now is the best time to snag the stock while it's absurdly cheap at $2.75 per share. The trailing one-year price return is 97.4%.

In the nine months ended March 31, 2021 (YTD fiscal 2021), revenue grew 2% to $339.9 million year-over-year. Net loss for the first nine months went down to $18.5 million versus $240 million in the same period of fiscal 2020. For Q3 fiscal 2021, the strength of WildBrain's Consumer Products business was why revenue grew 4%.

Wildbrain CEO Eric Ellenbogen said: "Our content and brands continued to perform well in Q3, driven by a robust production slate and strength in our consumer products segment." WildBrain's 75,000-square-foot state-of-the-art animation studio in Vancouver, BC, produces fan-favourite series *The Snoopy Show*, *Snoopy in Space*, *Carmen San Diego,* and many more.

The company's advertising video on demand (AVOD) business, WildBrain Spark, offers one of the largest networks of kids' channels on YouTube. It garners billions of views monthly from over 150 million subscribers. Management expects WildBrain's holistic partnerships in the pipeline to fuel growth, along with meaningful consumer product upside.

Superior gains

Netflix is the top-notch streaming service, although Canadian investors could buy more of Corus Entertainment or WildBrain shares because of their considerably lower prices. Also, the gains could be so much more than if you were to invest in the American stock.

CATEGORY

1. Investing

TICKERS GLOBAL

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

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1. Investing

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