



Forget Cineplex: Buy These Future Stocks Instead

Description

Movie theatres in Ontario were finally able to open in the middle of July. The industry had suffered from months of stalled operations, draining the industry of any revenue. Today, I want to discuss the prospects for **Cineplex** ([TSX:CGX](#)) in the wake of the reopening. Moreover, I'll look at two alternative future stocks.

Why Cineplex is still in trouble for the long term

Cineplex stock has climbed 52% in the year-to-date period as of early afternoon trading on August 25. However, the stock has dropped 3.6% over the past month. Earlier this month, I'd [discussed](#) whether the Delta variant had the potential to derail Cineplex's Canadian comeback.

The North American box office in August has put up middling numbers. *The Suicide Squad*, a pseudo-reboot of the 2016 release, which was a disappointment critically and commercially, debuted on August 6. This installment was praised by critics, but this failed to translate to improved numbers at the box office. The Ryan Reynolds vehicle *Free Guy* managed to top its peers for the second straight week in late August.

A return to normalcy was great news for Cineplex. However, it is hard to celebrate the early numbers at the box office. The traditional cinema is facing stiff challenges from home entertainment alternatives, and it needs to make inroads going forward. This uncertainty is why I'm targeting two future stocks instead.

This future stock is rocking in the e-sports space

Enthusiast Gaming ([TSX:EGLX](#))(NASDAQ:EGLX) is a Toronto-based company that specializes in video game journalism. The video game sector is one of the fastest-growing entertainment spaces on the planet. Shares of this future stock have climbed 23% in 2021 at the time of this writing. However, the stock has plunged 10% month over month. In July, I'd [suggested](#) that Enthusiast was the betterpick over **GameStop**.

In Q2 2021, the company reported revenue of \$37.1 million compared to \$7 million in the prior year. Meanwhile, its gross profit more than doubled to \$8 million. Its direct advertising sales were reported at \$4.4 million — up from \$0.6 million in the second quarter of 2020.

Shares of this future stock last had an RSI of 36. That puts Enthusiast Gaming right outside technically oversold territory. I'm looking to snatch up this promising stock on the dip.

Here's another future stock that is betting on streaming

WildBrain ([TSX:WILD](#)) is a Halifax-based company involved in media, production, and brand licensing. It has moved aggressively into the streaming space and is focused on children's entertainment content. Shares of WildBrain have climbed 47% in the year-to-date period. The stock is [up 116%](#) from the same time in 2020.

Investors can expect to see its fourth-quarter and full-year 2021 results in September. In Q3 2021, the company delivered revenue growth of 4% to \$102 million. Meanwhile, WildBrain Spark's advertising revenue continued to show improvement, as the COVID-19 pandemic was combated. It also benefited from a shift in YouTube's policy changes.

Cineplex has been muscled out of consumers by top streaming companies like **Netflix** and **Amazon**. WildBrain is a minnow compared to these giants, but it is still worth considering as a future stock today.

CATEGORY

1. Investing

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1. OTC:EGLX.F (Enthusiast Gaming)
2. TSX:CGX (Cineplex Inc.)
3. TSX:EGLX (Enthusiast Gaming Holdings Inc.)
4. TSX:WILD (WildBrain Ltd.)

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