



What to Make of Rogers Stock Following Internal Battles

Description

In what looks like an episode out of the show *Succession*, **Rogers Communications** ([TSX:RCI.B](#))([NYSE:RCI](#)) has some intriguing family squabbles that have permeated into the company's stock price. Indeed, Rogers stock has lost approximately 3% of its value over the past two trading days. And many investors attributed this loss of value to the ongoing board dispute over whether to keep CEO Joe Natale at the helm.

Any dispute between one of the richest families in the country and a CEO is bound to get headlines. But for investors, this dispute is bad for their bottom line. Keep in mind, these issues are taking place while Rogers is trying to finalize a massive \$26 billion deal to acquire a key competitor.

Let's take a look at what's been going on, and what this means for Rogers stock moving forward.

Rogers committee makes moves to constrain Edward Rogers's power

As mentioned, Edward Rogers, chairman of Rogers, has been vocal about his failed attempts to remove Mr. Natale from power. This whole ordeal has gotten messy, because other family members don't agree with Edward on this decision.

It appears the jury is out in investors' minds as well.

Rogers has underperformed its peers for some time. However, Rogers's business model is different than that of its peers. This is a company that earns a higher percentage of its revenue from roaming fees, which were disproportionately affected by the pandemic. Additionally, Rogers stock is significantly impacted by major sports, which haven't had a good go in recent years for the same reason.

How much blame to lay on Mr. Natale is the key question here. And while the Rogers family appears to be getting on the same page, it remains to see if a court will allow for the removal of Mr. Natale at this time.

That's because Mr. Natale has done a decent job of improving various metrics across the board. He's been working with what he's got, and specific metrics, like churn, showed large improvements when he took over.

That said, this public feud is one investors don't usually get to see in public. Accordingly, this has captured the interest of investors and the market as a whole.

Where this feud will go from here remains to be seen. However, these ongoing internal issues appear to be weighing on Rogers stock.

Is Rogers stock a buy on this short-term catalyst?

Is now the time to buy Rogers stock on this dip? After all, if this is just a case of the market overreacting, it seems like a great time to buy a long-term [dividend](#) stock at a discount.

I think the jury's still out on this point too. Rogers's fundamentals remain shaky at best. The company's competitors appear to be in a better relative position right now. Additionally, like it or not, any sort of forced management shakeup is often bad for a stock in the near term.

Accordingly, more downside could be on the horizon as a result of these issues. Investors are also losing focus on the key strategic moves Rogers is making, including its massive acquisition.

Right now, I think a better entry point may materialize in the coming months. That said, over the long term, I think Rogers stock is one worth owning. Accordingly, investors may want to think about their timing with adding to Rogers right now.

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