



2 Top Entertainment Stocks to Watch in October

Description

Although stocks across most industries and sectors have gone on sale this year and now offer investors exciting bargains, some industries have been impacted more than others. Several top entertainment stocks, for example, have become ultra-cheap in the current environment and are worth watching this October.

Corus Entertainment ([TSX:CJR.B](#)) is one that's unbelievably cheap. The company owns and operates television channels and radio stations. It also offers streaming services and has a content production segment.

Cineplex ([TSX:CGX](#)) is another ultra-cheap entertainment stock. The movie theatre and entertainment venue operator, much like Corus, never fully recovered from the pandemic.

Both of these companies are undervalued as a result of the highly uncertain economic environment. In addition, these two top entertainment stocks were already cheap to begin with, which is why they're worth putting on your watchlist today.

So, let's look at just how undervalued these two stocks are and why they make such compelling investments for individuals with a [long-term](#) investing horizon.

Corus Entertainment: one of the top stocks to watch in October

Even before the pandemic, Corus was in turnaround mode, focused on paying down its significant debt load and strengthening its balance sheet. And while the initial quarters of the pandemic had a major impact on the entertainment stock's revenue, throughout the majority of the pandemic, Corus performed extremely well.

In fact, through fiscal 2020 and 2021, the stock earned over \$550 million in [free cash flow](#). That's significant because it allowed Corus to pay down over \$400 million in debt over those two years. It's also significant because Corus' [market cap](#) today is just \$440 million.

Last month, after Corus warned that the economic environment was impacting its sales, the stock sold off significantly. In fact, the dividend, which requires just \$50 million a year to fund, now offers a whopping yield of 10.5%.

Therefore, all eyes will be on this top entertainment stock tomorrow, Friday, October 21, 2022, as it reports earnings. Investors and analysts will be eager to see just how much Corus' revenue has been impacted and how that may affect profitability.

The stock currently trades with a forward price-to-earnings ratio of just 4.4 times, so it looks as if much of the risk has already been priced into the shares. Nevertheless, investors will be eager to get an update on Corus' business and how management plans to weather the storm during this uncertain economic environment.

Cineplex stock is trading unbelievably cheap as its operations recover

Although Cineplex stock differs greatly from Corus stock, and although it's been affected in many different ways, primarily due to lockdowns impacting its business, this top entertainment stock has something in common with Corus: it's still ultra-cheap.

While Cineplex was recovering from the pandemic, fears of a recession caused the stock to sell off once again. And after it reported its third-quarter attendance numbers, Cineplex stock made headlines considering the numbers were just 70% of comparable 2019 levels and just 52% in September.

However, digging deeper, Cineplex actually beat analyst expectations for the quarter, and much of the slower recovery in attendance was due to a lack of blockbuster films compared to 2019. This was something that was out of Cineplex's control and shouldn't be a long-term issue.

For the full year in 2022, Cineplex is still expected to do over \$1.3 billion in sales or roughly 80% of what it did in 2019 before the pandemic. More importantly, it's expected to achieve over \$280 million in earnings before interest, taxes, depreciation, and amortization (EBITDA), a 375% increase year-over-year.

Therefore, while Cineplex trades just off its lows, it's one of the top entertainment stocks to watch in October leading up to its third-quarter earnings in early November.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:CGX (Cineplex Inc.)
2. TSX:CJR.B (Corus Entertainment Inc.)

PARTNER-FEEDS

1. Business Insider
2. Flipboard
3. Koyfin
4. Msn
5. Newscred
6. Quote Media
7. Sharewise
8. Smart News
9. Yahoo CA

PP NOTIFY USER

1. agraff
2. danieldacosta

Category

1. Dividend Stocks
2. Investing

Date

2025/07/08

Date Created

2022/10/20

Author

danieldacosta

default watermark

default watermark