



## 3 Ways to Invest in Canada's Olympic Team

### Description

Like many other Canadians, I've been caught up watching Olympics on television. I've watched everything from figure skating to luge, sports I haven't watched probably since 2010, and I won't watch again until 2018. The magic of the Olympics will do that to even the most casual of sports fan. And they haven't even started the marquee event yet, men's hockey.

Investors have long combined their interests and investments. Someone who just can't get enough of their morning jolt of coffee might invest in **Tim Hortons**. Or for an investor who just can't get enough of their smartphone, a purchase of **Telus** shares may make sense. It's an easy way to feel like you're getting some of those purchases back every time you collect a dividend.

Along that same theme, here are three stocks that have large operations in Canadian sports, which directly help Canadians make it to the Olympics in all sorts of ways, including apparel, equipment, and giving athletes jobs in the offseason.

### Dorel

**Dorel** ([TSX:DII.B](#)) operates three divisions — juvenile (baby seats, playpens, etc.), home furnishings (bunk beds, futons, etc.) and recreational products, which makes bicycles. Obviously, only one of these is really applicable to supporting Canadian athletes.

Dorel's recreational products division has some of the strongest names in the bicycle market, including Schwinn, Mongoose, and Cannondale, the latter of which is one of the highest ranked road bikes on the market. Chances are, you'll find some of Canada's top athletes riding a Dorel bike during the offseason.

The recreational products division isn't a small business either, as it's done \$673 million in revenue for the first three quarters of 2013. It is also expanding its bike business into Latin America, with a 70% stake in one of Brazil's largest bicycle manufacturers. Dorel is on pace to buy back 3.5% of shares by the end of its fiscal 2013, and currently pays a dividend of over 3%.

## Canadian Tire

Back in 2011, **Canadian Tire** ([TSX:CTC.A](#)) acquired Forzani Group for \$771 million, gaining control of Canada's largest sporting goods retailer, Sport Chek.

Sport Chek is Canada's only coast-to-coast sporting goods retailer, even though a large percentage of its revenues are made up of clothing sales. It has little competition in many of its segments, since local golf or ski shops can't hope to have the pricing power that a large chain enjoys.

Even the main Canadian Tire stores are huge supporters of Canadian athletics. They're big sponsors of youth sports, and many young people got their first pair of skates or their first hockey stick down at their local Canadian Tire.

## Hudson's Bay Company

Looking to get official Olympic gear? In Canada, you've only traditionally had one choice, and that's official clothing retailer **Hudson's Bay Company** (TSX:HBC).

While Sport Chek did sign an agreement with the Canadian Olympic Committee to sell licenced Olympic apparel, consumers still have to go to HBC to buy the popular mittens, as well as the apparel athletes wear during the opening ceremonies and medal presentations.

The jacket is going for a gold medal price — both men's and women's versions are selling for \$125 each. HBC investors have to like those margins, and they have to like the sense of Canadian pride sweeping the nation. What better way to show your support?

Plus, the company has a growth plan going forward, thanks to its \$2.9 billion acquisition of Saks. Investors who are patient enough to wait until Saks gets rolled out in Canada could enjoy some nice growth.

## CATEGORY

1. Investing

## TICKERS GLOBAL

1. TSX:CTC.A (Canadian Tire Corporation, Limited)
2. TSX:DII.B (Dorel Industries Inc.)

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