



Buffalo Wild Wings, Cineplex, and Molson Coors Canada: 3 Stocks for Summer

Description

Summer is a only month away. Soon, you'll (hopefully) get some extra down time to watch some blockbusters at the theatre. Sporting events and pub crawls will no doubt entail suds and wings. Therefore, here's how to prep your summer stock portfolio for growth.

1. Buffalo Wild Wings

Buffalo Wild Wings (NASDAQ: BWLD) has approximately 1,010 locations spread across the U.S., Canada, and Mexico. Its restaurants focus on wings, beer, and sports. For Q1 2014, the company's total revenue increased 20.9% to \$367.9 million, versus \$304.4 million in Q1 2013. Net earnings rose 72.9% to \$28.3 million from \$16.4 million. Its share has been hovering in the \$144.00 price range.

Sally Smith, President and CEO, said, "based on our first quarter results, second quarter trends in same-store sales, and anticipated food costs, we believe we will achieve net earnings growth of 25% for 2014, an increase from our previous goal for the year."

For North America, Buffalo Wild Wings has a disciplined growth strategy. It believes that its concept can support approximately 1,700 restaurants in Canada and the U.S. Globally, the company opened its first international franchised restaurant in Mexico in December 2013. The company's strategy for furthering international growth is through development agreements with new and existing franchisees. It also sees the potential in joint-venture partnerships.

This month, Buffalo Wild Wings opened its first PizzaRev franchise in Hopkins, Minnesota. This new restaurant is the first outside of California for the build-your-own artisanal pizza concept. It is the first of many PizzaRev locations that it plans to open throughout the Minneapolis/St. Paul region.

2. Cineplex

Cineplex ([TSX: CGX](#)) operates 162 theatres with 1,639 screens, serving approximately 77 million guests each year. The company also operates food services, alternative programming, CineplexMedia, Cineplex Digital Solutions, Cineplex Digital Networks, and more. Last fall, Cineplex completed the acquisition of 24 theatres in Atlantic Canada from **Empire Theatres**.

The company continues to invest in and upgrade its theatres. This year it is focusing on renovations, Cineplex VIP Cinemas additions, and opening new theatres. The growth of its Cineplex VIP Cinemas is a main element of its exhibition growth plans. Its VIP Cinema concept at Cineplex Cinemas Queensway and VIP, in Etobicoke, Ontario, includes a licensed lounge and valet parking. Moreover, Cineplex is also considering complementary businesses to drive growth. CEO Ellis Jacob said that the company is interested in operating arcades outside of movie theatres.

In 2013, Cineplex's total revenue increased 7.2% to \$1.2 billion. The company attained its highest-ever annual adjusted EBITDA of \$202.4 million. This represents its 11th consecutive year of adjusted EBITDA growth.

This month, Cineplex announced a 4.2% dividend increase to \$1.50 per share on an annual basis from the current \$1.44 per share.

3. Molson Coors Canada

Molson Coors Canada (TSX: TPX.A) is a subsidiary of **Molson Coors Brewing** ([NYSE: TAP](#)). One of the world's largest brewers, Molson Coors Brewing's operating segments include Canada, the U.S., Europe, and Molson Coors International. In Canada, it is the second-largest brewer by volume. Its approximate market share of the Canadian beer market was 38% in 2013.

For Q1 2014 in Canada, the company's underlying pre-tax income grew 20.5% to \$35.3 million. It increased 28.7% on a constant currency basis. However, Molson Coors Canada did have lower volume in Q1. Molson Coors is introducing new advertising this month. It is also increasing activity to improve the performance of its Coors Light brand. The company is expanding its Coors Banquet and its vented can.

For 2013, its global beer volume increased 8.5% compared to 2012. It generated cash flow from operating activities of nearly \$1.17 billion in 2013. This represented an 18.8% increase from \$983.7 million in 2012 and a 34.6% increase from \$868.1 million in 2011.

This week, Molson Coors Brewing declared a regular quarterly dividend on its Class A and Class B common shares of U.S.\$0.37 per share.

It's time to take advantage of companies in the entertainment, beverage, and casual dining industries. The above three are aggressively pursuing greater market share. This power trio can start off the coming summer for investments just right.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:TAP (Molson Coors Beverage Company)
2. TSX:CGX (Cineplex Inc.)

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Author

mugulini

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