



3 Fun Stocks for Summer

Description

Wherever you intend to relax this summer, whether it be on a lake, golf course, the Champs Elysees, or some far-off land, why not try to recoup some of your expenses by investing in a company or three whose products and services you use to enjoy your time away from the office.

Pay yourself first this summer. Invest in these three fun stocks.

Option A

TWC Enterprises Ltd. ([TSX:TWC](#)) used to go by the name ClubLink Enterprises Limited, which reflected its position as the leading owner/operator of golf courses in Canada. It changed its name in May 2014 to reflect a business that was moving away from golf-only to a shareholder-centric business that delivered greater value for those owning its stock.

Today, in addition to its ClubLink business, it also owns the White Pass & Yukon Route tourist railroad operating out of Skagway, Alaska, home to a port that saw 801,000 cruise ship passengers pass through the former mining town in 2015, 327,000 of which traveled along the company's railroad. Together, these two businesses generated record operating income of \$59.2 million in 2015 on \$216 million in revenue.

In 2015 its earnings per share on an adjusted basis was \$0.45, \$0.15 higher than a year earlier on better results from its Canadian golf operations. Add to this the redevelopment possibilities in Oakville from Glen Abbey and you've got a business whose prospects are good, despite the changing demographics in the golf industry.

Be forewarned, however, because as TWC's business continues to transition to more than just golf, its cash flow from prepaid membership fees will continue to shrink as it works to make golf club memberships more "affordable" for older millennials.

Option B

Any plans for a bike trip this summer? Perhaps through the vineyards of Alsace or Burgundy? If so, **Dorel Industries Inc.**

([TSX:DII.B](#)) has got you covered with bike brands such as Cannondale, Schwinn, Mongoose, GT, and Sugoi. In 2015 Dorel's sports business generated US\$1 billion, or 37% of its US\$2.7 billion in overall revenue.

In the first quarter ended April 30, its sports business saw a big decline in both revenue and earnings on a year-over-year basis. However, thanks to better bottom-line performances in the first quarter from its home furnishings and juvenile divisions, its overall results in the first quarter weren't all that bad; revenues were down 2.9% in the quarter to US\$645.9 million, but adjusted net income increased 65% to US\$19.7 million—providing shareholders with a glimmer of hope in 2016.

At the moment, its higher-end bike business is finding it tough sledding given the price cutting it's been forced to initiate to compete in the marketplace. It's expected, management believes, that the second half of 2016 will be much better from a profitability standpoint. At times like these, it's helpful to have a couple of other substantial businesses—its home furnishings business generated revenue in 2015 of US\$643 million, while its juvenile business (child seats, etc.) hit US\$1 billion in revenue—providing profitable growth.

It's a trio that works. With a forward P/E of 10.6 compared to 16.7 for the TSX, its stock is priced to move.

Option C

For those of you don't like sitting out in the sun all day, **Great Canadian Gaming Corp.** (TSX:GC) could be just the bet because it operates 10 casinos, four racetracks, and three bingo halls in both Canada and the U.S. with locations in B.C., Ontario, New Brunswick, Nova Scotia, and Washington State.

Its first quarter ended March 31 saw revenues increase 20% year over year to \$130.9 million thanks to the addition of the Moncton casino as well as two facilities in eastern Ontario. On the bottom line, its adjusted EBITDA increased 6% to \$43.5 million.

Great Canadian is in the process of building the new Shorelines casino in Belleville, Ontario. When finished in 2017, the casino will have 50,000 square feet, providing enough space for 400 slot machines and 20 gaming tables.

Up 13% year-to-date through June 9, Great Canadian's stock's rebounded nicely this year after a 25% decline in 2015.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:DII.B (Dorel Industries Inc.)

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