



Millennials: 3 Buy-and-Hold-Forever Stocks for Your TFSA

Description

It's tough out there for millennials.

They have to deal with crippling college debt, high unemployment, expensive housing, and a myriad of other factors that all seem like they're conspiring to make life difficult.

Not only that, but they have to begin to worry about saving. Whether the goal is a dream trip, buying a house, or retirement, millennials are constantly told that now is the best time to put money away. That's the way compound interest works. There's no substitute to saving when you're young.

The big issue for many of these folks is knowing what to invest in. We can help. Here are three great stocks any investor can buy and hold for a very long time.

Extendicare

They say the only two certainties in life are death and taxes. I'd like to add a third—getting old.

There are more than nine million baby boomers in Canada, each rapidly approaching retirement years. Constant advances in medicine will ensure these people collectively live longer than any previous generation. This is good news for the retirement residences sector.

Extendicare Inc. ([TSX:EXE](#)) is my favourite stock in the sector for a few reasons. Management made a very smart move about a year ago when the company officially sold its U.S. operations. This freed up cash that was put to use expanding operations here in Canada.

The cash was spent acquiring a handful of new assisted-living facilities, as well as expanding Extendicare's home healthcare network. The company also pledged to spend money on refurbishing several of its older homes in Ontario, which will allow it to collect higher premiums from the government.

Investors are getting exposure to this long-term growth story at a very reasonable price. Extendicare is on pace to hit \$0.70 per share in adjusted funds from operations for 2016, putting shares at less than 13 times earnings. It also gives the company a payout ratio of less than 70%, meaning its 5.4%

dividend looks to be pretty safe.

Great Canadian Gaming

Although the internet is changing the world of gambling, one truth still remains: it's good to own casinos.

Great Canadian Gaming Corp. (TSX:GC) is Canada's largest operator of casinos, owning 14 facilities in British Columbia, Ontario, Nova Scotia, and New Brunswick. It also owns three casinos in Washington State.

The company's most recent quarter was a great one. It delivered profits of \$0.37 per share compared to \$0.27 a year ago. Analysts project good long-term growth too with 2016's earnings coming in at \$1.21 per share and 2017's bottom line increasing to \$1.45 per share.

Instead of paying a dividend, Great Canadian Gaming is rapidly cannibalizing its own shares. On June 30, 2015, the company had 71.4 million shares outstanding. A year later, that number was just over 63 million. Management intends to keep on purchasing shares, although perhaps not as aggressively as before.

Cineplex

It isn't very often investors get the opportunity to invest in a virtual monopoly. **Cineplex Inc.** ([TSX:CGX](#)) is the dominant player in the movie theatre business in Canada, owning a market share of more than 80%. Its nearest competitor has about 10% with the rest scattered among small operators.

Cineplex has leveraged its leadership in the space to make money in many different ways, and not just from overpriced popcorn either. Its partnership with **Bank of Nova Scotia** has been incredibly successful with more than eight million Canadians owning SCENE cards.

The company has also expanded into the restaurant business, putting arcades in its theatres, and showing more than just movies on its big screens. It has also leveraged its expertise in digital advertising into a division that provides many of Canada's top fast-food chains and retailers with sharp signage that attracts customer attention.

The only problem with Cineplex is the valuation. Shares currently trade hands at nearly 24 times 2017's projected earnings. That's a little pricey, but Cineplex has traded at such a valuation for years. If investors want to own it, they're going to have to pay a premium price.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:CGX (Cineplex Inc.)
2. TSX:EXE (Extendicare Inc.)

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