



Create Your Own Pension With Great Canadian Gaming Corp (TSX:GC)

Description

Over the past five years, shares of **Great Canadian Gaming Corp** (TSX:GC) have climbed more than 400%. While prospective retirees are usually focused on finding great income stocks, multiplying your initial investment is more impactful than a high dividend ever will be.

Despite the rise, Great Canadian still has its best days ahead of it. The company has an impeccable record of execution, and CEO Rod Baker is incentivized to continue the run considering his \$80 million stake.

If you're looking to create your own pension, buying Great Canadian shares gives you access to some of the greatest capital compounders in the business.

Here's how Great Canadian learned to dominate

Since 1982, Great Canadian has grown to become one of the largest gaming and entertainment companies in Canada. It now operates 28 properties across Ontario, British Columbia, Nova Scotia, New Brunswick and Washington State. In total, it runs 16,000 slot machines, 300 table games, 80 dining amenities, and over 500 hotel rooms.

Scale is an important factor for companies in the gaming industry. Not only does it streamline operations and reduce costs, but it also consolidates influence, an important factor given that it remains a highly regulated industry. Having outsized influence can increase the odds of gaining additional licenses and properties. Due to these factors, it's very difficult for new entrants to attack Great Canadian's markets.

Over the past few years, management has focused on building scale, and thus influence. In January, Great Canadian acquired the Greater Toronto Area Gaming Bundle, which included Casino Ajax, Casino Woodbine, and Great Blue Heron Casino.

In 2018, it made multiple transformational transactions. It acquired the West GTA Gaming Bundle, which included Casino Brantford, Slots at Mohawk Racetrack, Slots at Flamboro Downs, and Slots at

Grand River Raceway. Before that, it launched Elements Casino Victoria following a multi-million dollar redevelopment. In recent years, it has also acquired Bingo Esquimalt (a commercial bingo hall), opened Hard Rock Casino Vancouver, added a third hotel tower to its River Rock Casino Resort, and much more.

As mentioned, increased scale builds increased influence, which has allowed Great Canadian to take actions no other competitor can match. For example, in 2017, it opened Shorelines Casino Belleville, the first new gaming facility in Ontario since 2006. With its current scale, expect Great Canadian to continue capitalizing on opportunities.

Great Canadian has plenty of growth opportunities ahead

In August, the company announced 50 new gaming tables and more than 500 additional slot machines at its Casino Woodbine. This announcement was notable considering Great Canadian will become to first and only company with live dealer tables in the Toronto. By October, it had brought its total gaming capacity to 3,700 slot machines and 100 table games.

According to CEO Rod Baker, additional plans “are underway that will help drive further growth in the coming months and years ahead.” Due to his \$80 million bet on the company, he’s clearly confident on Great Canadian’s continued ability to execute on these opportunities.

With a market cap of just \$3.1 billion, Great Canadian has enough capital to pursue more than \$1 billion in opportunities. It has a cash balance of \$580 million and more than \$900 million in credit facilities. Long-term investors should continue to be rewarded by buying and holding Great Canadian stock.

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