

certain locations, and hotels will even be built or expanded on certain sites.

The acquisition has worked out pretty well so far. In 2017, before the Toronto acquisition, the company made \$1.38 per share. By the end of 2019, annual earnings had leapt to \$3.89 per share. One reason why earnings per share increased so much is the company was able to do the acquisition without issuing much stock.

In fact, one of the things that makes this company a no-brainer stock is its history of buying back shares. At the end of 2015, Great Canadian Gaming had more than 69 million shares outstanding on a fully-diluted basis. These days, that number is closer to 59 million shares outstanding. Look for management to continue buying back shares once casinos open back up again.

The opportunity

Many investors aren't interested in casino stocks today simply because these facilities aren't open. I think it's a mistake to ignore a no-brainer stock like this one because of a little short-term uncertainty.

Shares are also ridiculously cheap if you think profitability returns to normal sometime relatively soon. Remember, the company did \$3.89 per share in earnings last year. The stock currently trades hands at just over \$27, giving us a price-to-trailing earnings ratio of under 7 times.

The bottom line should only increase over the long term, although I'm the first to admit that 2020 and likely 2021 will be lean. There's ample opportunity for more expansion in the company's Toronto casinos, and management was talking about similar projects in British Columbia before the pandemic hit. These will all eventually hit the bottom line.

There's also growth potential from populations slowly growing bigger — a big reason why I'm so bullish on the Toronto assets — and general growth in the casino business. It's not just gamblers that will drive growth either; many people who would never put a nickel in a slot machine enjoy going to the casino for dinner or to watch a show.

The bottom line on this no-brainer stock

Great Canadian Gaming is a stock that would look good in anyone's portfolio. It consistently delivers steady growth and solid profitability, all while taking care of shareholders with [steady buybacks](#).

Don't overthink it. Add this no-brainer stock to your portfolio today while it's down. Don't miss this great buying opportunity.

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