



3 Heavy Equipment Stocks to Buy Today

Description

Ritchie Bros. Auctioneers ([TSX:RBA](#))([NYSE:RBA](#)), **Cervus Equipment Corp.** (TSX:CVL), and **Rocky Mountain Dealerships Inc.** (TSX:RME) are three of the largest dealers of heavy equipment in the world, and all of their stocks represent attractive long-term investment opportunities today. However, the laws of diversification state that we cannot own all three, so let's take a closer look at each to determine which would fit best in your portfolio.

Ritchie Bros. Auctioneers.

Ritchie Bros. Auctioneers is the largest seller of used industrial equipment in the world. At today's levels, its stock trades at 31.4 times fiscal 2015's estimated earnings per share of \$1.11 and 28.8 times fiscal 2016's estimated earnings per share of \$1.21, the latter of which is inexpensive compared with its five-year average price-to-earnings multiple of 29.7. In addition, the company pays a quarterly dividend of \$0.14 per share, or \$0.56 per share annually, giving its stock a 1.6% yield.

Cervus Equipment Corp.

Cervus Equipment owns and operates the largest group of John Deere agricultural equipment dealerships in Canada. At current levels, its stock trades at 13 times fiscal 2015's estimated earnings per share of \$1.23 and 9.7 times fiscal 2016's estimated earnings per share of \$1.65, the latter of which is inexpensive compared with its five-year average price-to-earnings multiple of 13. Additionally, the company pays a quarterly dividend of \$0.2125 per share, or \$0.85 per share annually, which gives its stock a 5.3% yield.

Rocky Mountain Dealerships Inc.

Rocky Mountain Dealerships is one of the largest dealers of agriculture and construction equipment in the world. At today's levels, its stock trades at 8.8 times fiscal 2015's estimated earnings per share of \$1.05 and 7.7 times fiscal 2016's estimated earnings per share of \$1.19, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 11.1. In addition, the company pays a quarterly dividend of \$0.115 per share, or \$0.46 per share annually, giving its stock a 5% yield.

Should you buy one of these equipment stocks today?

Ritchie Bros. Auctioneers, Cervus Equipment, and Rocky Mountain Dealerships are three of the most attractive heavy equipment stocks in the market today. Foolish investors should strongly consider initiating positions in one of them.

CATEGORY

1. Dividend Stocks
2. Investing
3. Stocks for Beginners

TICKERS GLOBAL

1. NYSE:RBA (Ritchie Bros. Auctioneers)
2. TSX:RBA (Ritchie Bros. Auctioneers)

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