

2 Stocks Reporting Industry-High Profits

Description

If you are looking for stocks that do a good job of turning investor dollars into company profit, here are two Canadian manufacturers you may want to consider. Let's take a closer look at each one and its profit numbers.

New Flyer Industries Inc. ([TSX:NFI](#)) is a Winnipeg-based company that was founded in 1930. It is the largest transit bus and motor coach manufacturer/parts distributor in North America. It offers a variety of drive systems in its buses and motor coaches, including diesel, natural gas, diesel-electric hybrids, electric and battery-electric trolleys, keeping it at the forefront of new bus technology.

New Flyer is having a good year. Its net income grew by 52.32% year over year—among the strongest growth seen by any company in its industry. It also has a net profit of 6.11%. (Any net profit over 10% is generally considered to be excellent, but this number depends on industry and company structure.) Even though its net profit is under 10%, New Flyer is one of the most effective companies within its industry at turning revenue into profit.

The ROE (return on equity) for New Flyer is an impressive 23.44%. (You're usually looking for something over 15%.) This ROE number shows that New Flyer does an excellent job of squeezing profit from its investors' money.

Winpak Ltd. ([TSX:WPK](#)), another Winnipeg-based company, was founded in 1977. It manufactures and distributes packaging materials and related machines. Its packaging is primarily used for beverages, perishable food products, and healthcare applications.

This year has also been a good year for Winpak. Its net income grew by 7.48% year over year, also among the strongest in its industry. Its net profit is even more impressive at 12.92%. Like New Flyer, Winpak is one of the best companies in its industry at turning revenue into profit.

The ROE for Winpak is lower than New Flyer at 15.59%, but that's still a great number. Winpak is also a company that can take investor money and efficiently turn it into profit that benefits both the company and investors.

Bottom line

There are many factors to consider when buying a stock, but a company that does a good job at turning its investments into profit dollars is always worth a look. If you want stocks with quality net profits and high return on equity, consider adding Winpak and New Flyer to your Foolish portfolio.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:NFI (NFI Group)
2. TSX:WPK (Winpak Ltd.)

PARTNER-FEEDS

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