



## Chorus Aviation Inc. Produces Solid 2nd-Quarter Results: Time to Buy?

### Description

Looking for a stock that produces solid quarterly results and pays a nice dividend? You might be interested in this aviation stock. Let's take a closer look.

**Chorus Aviation Inc.** ([TSX:CHR](#)) is a Halifax-based holding company that works in regional aviation. It has a diversified fleet that includes regional jets and turboprops as well as significant lease holdings across five continents. Chorus also has a history of making quality acquisitions across the globe.

### Chorus by the numbers

Chorus released positive second-quarter results on Thursday. It reported adjusted earnings of \$65.5 million compared to \$57.8 million in 2016 — an increase of 13.3%. Chorus's adjusted net income for the quarter was \$26.7 million, dwarfing 2016's second-quarter result of \$4.49 million. Chorus has made numerous new acquisition and lease announcements, meaning this company is actively working to improve its results.

Chorus has a net profit margin of 6.51%, giving it one of the highest profit margins among its closest competitors, such as **Air Canada** ([TSX:AC](#))([TSX:AC.B](#)) at 5.52% and **WestJet Airlines Ltd.** ([TSX:WJA](#)) at 6.21%. The stock's return on equity is also a stellar 56.54% — well above the 15-20% analysts like to see.

Not all of the numbers look as good. Chorus's annual revenue has declined by 8.60% over the last three years, but analysts expect it to do better in 2017 and 2018.

The stock is trading around the \$8 mark, putting it in the ballpark of its 52-week high of \$8.14. While the stock isn't on sale, the price tag is still fairly low, especially when you consider how the company is faring at the moment.

If high dividend yields are your thing, this company deserves a closer look. Chorus offers a monthly dividend of \$0.04 per share for an annual dividend of \$0.48 per share, giving it a yield of 5.94%. The dividend rate used to be in the \$0.06 range, but it hasn't dipped below \$0.04 in the last five years, meaning Chorus is a reliable dividend-paying company.

### Investor takeaway

Chorus Aviation's current quarterly results look good, it pays a nice dividend, and the company is expected to do well in the near future. If you are looking to add stocks to your Foolish portfolio, Chorus deserves your consideration.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. TSX:AC (Air Canada)
2. TSX:CHR (Chorus Aviation Inc.)

### PARTNER-FEEDS

1. Msn
2. Newscred
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4. Yahoo CA

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