



Like Trudeau's \$120 Billion Infrastructure Plan? Consider This 1 Company

Description

For investors looking at companies which can best take advantage of increased economic growth both domestically and globally, a company such as **SNC-Lavalin Group Inc.** (TSX:SNC) is a good place to start.

The Canadian economy is one which has traditionally been plagued by very low economic growth rates, with a slow-and-steady mentality that results in an economy with less volatility but less long-term upside overall. While this may be true, economists are now predicting that Canada may outgrow its G7 peers in 2017, and potentially 2018, as the country continues to churn out growth numbers that have produced shockingly positive results.

Spurred by Prime Minister Justin Trudeau's plan to spend \$120 billion on infrastructure, a number of pure-play construction and engineering companies such as SNC-Lavalin will undoubtedly be in an enviable position in terms of how likely the Canada-based firm will be able to secure much of the work. With Canada's roads, bridges, and other key infrastructure ageing, it makes sense that Canada is investing so heavily in improving these key economic-generating public goods. The only question is, just how much will SNC-Lavalin be able to pick up?

Aside from domestic growth, SNC-Lavalin stands out as global firm, able to take on some of the most challenging (and profitable) projects around the world, following its \$3.6 billion acquisition of British-based multinational firm **WS Atkins PLC**. This acquisition, the largest in the company's history, put SNC-Lavalin on the map as one of the premier global firms, able to tackle a much broader range of projects, some of which span multiple jurisdictions.

Domestically, the company's bid for a \$6 billion contract to design and construct a new rapid-transit system for Montreal as well as additional bids for light rail contracts in Ottawa and Toronto, have put SNC-Lavalin again in the forefront of many investors' minds. Should the company be able to secure these contracts (which approximate the total current market capitalization of the firm), significant potential long-term benefits will be bestowed upon investors willing to invest in what would otherwise be considered a "boring" company in a "boring" industry with a "boring" dividend and average valuation.

Bottom line

The company's recent acquisition has made SNC-Lavalin into a global player, enhancing the company's prestige both domestically and globally. In a world where results matter, it remains to be seen how effective the company will be at securing the contracts management has sought out. With 40% of the company's current revenue coming from Canada alone, recent developments stemming from Trudeau's infrastructure plan certainly can't hurt.

Stay Foolish, my friends.

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