



Investors: Consider This Construction Company With Solid Earnings

Description

If you are looking for a company that works in the construction field, here is an interesting one you many want to consider: **Badger Daylighting Ltd.** (TSX:BAD). You gotta love the ticker, right?

What does Badger Daylighting do?

Badger Daylighting is North America's leading provider of non-destructive hydrovac excavation services. Your next question is likely, "What the heck is that?" Well, according to Badger's website, hydrovac "uses high pressure water to loosen soil, rocks, clay, gravel and other debris or materials, while simultaneously being vacuumed or 'sucked up' into a holding tank for later disposal. Hydro-excavation is sometimes called potholing or daylighting depending on what part of Canada or the USA it is being referenced."

Badger has been providing this service for over 20 years.

Badger Daylighting by the numbers

Now that we know what the company does, let's take a look at how the stock is doing. The company most recently released quarterly results in August when it reported earnings per share of \$0.40. This beat last year's second-quarter result of \$0.24 per share.

The stock has a net profit margin of 8.39%, putting it among the leaders in its industry. For comparison, **Aecon Group Inc.** ([TSX:ARE](#)) has a net profit margin of 1.28%, and **Bird Construction Inc.** ([TSX:BDT](#)) has a net profit margin of 0.88%.

Badger has a return-on-equity number of 13.76% — also an industry leader. This company is good at taking investor dollars and turning them into profit. Over the last three years, revenue growth has averaged 7.59% annually, lower than the industry average of 16.40%. Earnings have been a bit low over the same period, but 2017 has produced good earnings numbers for the company.

If you are a dividend investor, Badger Daylighting offers a dividend yield of 1.55%. Its current indicated annual dividend is \$0.46 per share.

Bottom line

Badger is an industry leader, and it boasts some solid earnings numbers. If you are looking for a construction stock for your Foolish portfolio, give Badger Daylighting a second look.

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1. Investing

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1. Editor's Choice

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2. TSX:BDGI (Badger Infrastructure Solutions Ltd.)
3. TSX:BDT (Bird Construction Inc.)

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