

3 Manufacturing Stocks Yielding up to 2%

Description

Statistics Canada released its September 2017 manufacturing survey on November 16. Manufacturing sales increased 0.5% to \$53.7 billion in the month with the petroleum and coal sectors leading the way. Sales were up in 28.9% of Canadian industries, which should interest investors, as manufacturing continues to be a hot-button issue in NAFTA talks.

Let's take a look at three manufacturing stocks that offer solid dividends for income investors.

CAE Inc. ([TSX:CAE](#))([NYSE:CAE](#)) is a Montreal-based manufacturer of simulation and modelling technologies, as well as training services to airliners, defence customers, healthcare specialists, and others. CAE stock has increased 20.6% in 2017 as of close on November 17 and 15% year over year.

Sales in the transportation equipment industry declined 0.7% to \$10.3 billion in September 2017. However, aerospace products and parts saw sales climb 5.6%. CAE released its fiscal 2018 second-quarter results on November 10.

The company posted revenue of \$646 million compared to \$635.5 million in Q2 2017. Net income increased to \$67 million in comparison to \$48.9 million in the fiscal 2017 second quarter. CAE leadership reported continued strong results in its civil sector and improving numbers in defence and healthcare. The company reported \$931 million worth of orders in the quarter, with half coming from the defence sector.

CAE also offers a dividend of \$0.09 per share, representing a 1.6% dividend yield. This is an attractive growth and dividend play going forward.

Magna International Inc. ([TSX:MG](#))([NYSE:MGA](#)) is an Aurora-based global automotive supplier. Shares of Magna have climbed 17.3% in 2017 and 24% year over year. In late October, I'd [discussed](#) why investors should be keeping a close eye on the automotive industry.

September manufacturing sales were down 0.9% in Ontario compared to a 2.3% uptick in August. The month saw a 6.3% drop in automobile sales and a 2.7% in motor vehicle parts. Magna released its third-quarter results on November 9.

Magna reported record sales of \$9.5 billion in the third quarter, representing a 7% increase from Q3 2016. Net income was flat at \$503 million, and the company posted \$1.36 diluted earnings per share compared to \$1.29 in the previous year.

Magna stock boasts a dividend of \$0.35 per share, representing a 2% dividend yield.

Maple Leaf Foods Inc. ([TSX:MFI](#)) is a Toronto-based packaged-meats company. In September, I'd [covered rising food prices](#) and discussed whether or not Maple Leaf Foods was a good buy going forward. Sales in the food industry dropped 1% to \$8.4 billion in September 2017.

Maple Leaf Foods released its third-quarter results on October 26. Sales jumped 6.6% to \$908.4 million, and net earnings increased 18.2% to \$37.6 million. The company was happy to report solid earnings, even with a spike in raw material costs.

The stock offers a dividend of \$0.11 per share with a 1.3% dividend yield. The company has committed to a solid strategy in branching into vegetarian products, making it an attractive long-term hold.

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3. TSX:CAE (CAE Inc.)
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