



Half of Canadians Haven't Heard of This 1 Stock

Description

This company is a Canadian-based manufacturer of rubber products for the military, resource, automotive, and industrial markets.

It has two main segments, which are rubber solutions and engineered products. Its engineered products segment is further divided into automotive and defense.

The company I am referring to is **AirBoss** ([TSX:BOS](#)), and frankly, you would be silly not to invest in it.

AirBoss has manufacturing facilities across North America with its rubber division located in Kitchener, Ontario; Acton Vale, Quebec; and Scotland Neck, North Carolina. Its automotive business is located in Auburn Hills, Michigan, and its defense business is located in Acton Vale, Quebec, and Landover, Maryland.

AirBoss is a good investment, as it has plans to expand its defense business, and the company has solid net income.

Expansion of its defense business

In May 2019, the company announced a partnership with Critical Solutions Holdings Inc. (CSH) to form AirBoss Defense Group.

AirBoss will contribute US\$100 million and CSH will contribute US\$32.7 million. In exchange, AirBoss will receive 55% of the equity in AirBoss Defense Group and US\$60 million (in the form of a Vendor Takeback Note, which is essentially a B2B loan), and CSH will receive 45% equity in the defense company.

Investors should be excited with this news, as the defense industry is extremely lucrative, which could mean significant returns for investors in the near future.

Further to this, AirBoss operates in a niche market of the defense industry, which means big players

such as **Bombardier** and **Boeing** are not its competitors.

Solid net income

The company's revenue is increasing since fiscal 2016 with a gain from \$268 million to \$317 million in fiscal 2018.

This growth in the top line has resulted in strong net income for the past five fiscal years with net income in excess of \$8 million for each fiscal year.

The company's strongest year to date was fiscal 2016 when it reported net income of \$14 million. The company [primarily operates in North America](#).

Summary

One of the best things about a company that is obscure is the fact that investors and financial institutions have not had an opportunity to manipulate the share price.

AirBoss's defense subsidiary is poised to deliver significant returns for investors, as the defense industry is extremely lucrative, and AirBoss operates in a niche product market.

Its solid net income in the past five fiscal years indicates that this company is well managed, which should offer investors some assurance that an investment in this company is not without fiscal responsibility on the part of management.

I am curious to see the performance of AirBoss Defense Group, as the potential for government contracts could result in millions of dollars for the company. Given its partnership with CNH, which is an American company, there may be further opportunities down the road to bid on U.S. defense contracts, which are [more valuable and lucrative](#) than the ones north of the border.

Overall, AirBoss has demonstrated it has a track record of profitability, and investors should look into investing in the company.

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