



TFSA Investors: North America's Best Growth Investment

Description

Exchange Income ([TSX:EIF](#)) is a [diversified, acquisition-oriented corporation](#) focused on opportunities in aerospace, aviation services, equipment, and manufacturing. The business plan of the company is to invest in profitable, well-established companies with [strong cash flows](#) operating in specialized markets.

Attractive valuation

The company has a price-to-earnings ratio of 13.62, price-to-book ratio of 2.08, dividend yield of 5.53%, and market capitalization of \$1.43 billion. Debt is very sparingly used, as evidenced by a debt-to-equity ratio of just 1.77. The company has excellent performance metrics with an operating margin of 8.84% and a return on equity of 3.96%.

Effective strategy

The objectives of the company are to provide shareholders with stable and growing dividends and to maximize intrinsic value through on-going active monitoring of the company's operating subsidiaries. Management continuously monitors and provides support to the subsidiaries that operate autonomously.

Strong aerospace division

The company's aerospace and aviation division includes a variety of operations within the aerospace and aviation industries. It includes providing scheduled airline, charter service and emergency medical services to communities located in Manitoba, Ontario, and Nunavut. Regional One is focused on supplying regional airline operators around the world with various aftermarket aircraft, engines, and component parts.

Provincial Aerospace provides scheduled airline, charter service and emergency medical services. The

division also designs, modifies, maintains and operates custom sensor equipped aircrafts. Provincial Aerospace also provides maritime surveillance and support operations and also offers a full range of pilot flight training services, from private pilot licensing to commercial pilot programs.

Essential manufacturing services

The company's manufacturing division provides a variety of manufactured goods and related services in several industries and geographic markets throughout North America. Quest Windows is a manufacturer of an advanced unitized window wall system used primarily in high-rise multi-family residential projects in North America. WesTower is focused on the engineering, design, manufacturing, and construction of communication infrastructure and provision of technical services. Ben Machine is a manufacturer of precision parts and components primarily used in the aerospace and defence sector.

LV Control is an electrical and control systems integrator focused on the agricultural material handling segment. WBM manufactures specialized heavy-duty pressure washing and steam systems, commercial water recycling systems, and custom tanks for the transportation of various products, primarily oil, gasoline, and water. Overlanders manufactures precision sheet metal and tubular products.

Sustainable growth

The company is a diversified, acquisition-oriented corporation focused on opportunities in aerospace, aviation services and equipment, and manufacturing. Exchange Income retains the key management personnel following acquisitions and have them own an equity interest in the company. Management invests in profitable, family-owned businesses with strong cash flows that operate in specialized markets.

In addition to having a strong acquisition strategy, the company has oversight and focuses on the generation of organic growth. Organic growth opportunities come in the form of expanding operations for existing businesses or by investing capital into new equipment and facilities for new customers. The company assesses organic growth opportunities with similar criteria as it does for acquisitions to achieve accretive returns on the capital required.

CATEGORY

1. Dividend Stocks
2. Investing

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1. dividend stock

TICKERS GLOBAL

1. TSX:EIF (Exchange Income Corporation)

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