



## Construct a Mountain of Cash This September for Less Than \$20

### Description

Canadian investors could turn away from the usual sectors and consider investing in the construction industry. Based on the country's construction market trends, it could grow by 2.5% in 2021. The increasing investments in the [housing sector](#) would accelerate construction activity in the coming quarters.

**Bird Construction** ([TSX:BDT](#)) and **Doman Building Materials Group** ([TSX:DBM](#)) will benefit significantly from the key trends and opportunities within a five-year growth period (2021-2025). Since both companies pay [dividends](#), would-be investors can construct a mountain of cash from out of the generous payouts.

### A synergy of top construction firms

Bird's construction revenue and net income in Q2 2021 (quarter ended June 30, 2021) soared 96.8% and 142.35% versus Q2 2020. According to President and CEO Teri McKibbon, it was also the 11th successive quarter of trailing 12 months adjusted EBITDA margin improvement. During the same quarter, the backlog reached a record high.

The 538.54 million company today is the combination of Bird Construction and Stuart Olson, two leading construction firms in Canada. The acquisition of Stuart Olson increased cross-selling opportunities, a formula for continued growth.

McKibbon added, "The company's strategic focus in the past several years to balance the risk profile of our work program and further diversify Bird both geographically and with new service offerings continues to bear fruit." Management is confident that Bird will continue with its [winning ways](#) and deliver strong financial performance in the quarters ahead.

Bird Construction trades at \$10.15 per share and pays a decent 3.84% dividend if you were to invest today. Since the company pays monthly dividends, you can reinvest them 12 times a year, not four. The investment value would compound faster. On the **TSX**, the stock's performance is stable. Investors are up 30.63% year to date.

## Leader in building materials

Doman trades at a discount (-8.94% year-to-date), but market analysts see an upside potential of 57.16% in the next 12 months. You can purchase a share for \$6.77 to partake of the super high 7.09% dividend. The stock flies under the radar, but it should appear in investors' watch lists very soon.

The \$586.46 million company from Vancouver has been in existence since 1989. It's the largest producer of pressure-treated lumber products in North America. Currently, Doman has 32 operating plants. In Canada, it operates Lignum Forest Products, a specialty wholesaler and distributor of premium lumber products.

CanWel Building Materials, a fully vertically integrated national distributor in the building materials and related products sector, is also a division of Doman. In the U.S., it has divisions in California, Texas, and Hawaii.

Doman's building materials business is thriving in 2021, as evidenced by the financial results in the first half of the year. In the six months ended June 30, 2021, management reported revenue and net earnings growth of 83.3% and 317.75% compared to last year's same period.

Despite the pandemic's impact on market pricing, management said Doman realized higher levels of non-cash working capital in the first two quarters of 2021. The threat to the business, including sales and profitability, is the exposure to construction materials pricing volatility.

## Appealing to income investors

Bird Construction and Doman Building Materials aren't as popular as dividend stocks. However, both should appeal to income investors because of improving market trends and opportunities in the construction industry.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:BDT (Bird Construction Inc.)
2. TSX:DBM (Doman Building Materials Group Ltd.)

### PARTNER-FEEDS

1. Business Insider

2. Koyfin
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