



## Russia-Ukraine War: 3 Defence Stocks to Buy Now

### Description

Back in 2019, I'd [discussed](#) the steady rise of global military spending. At the time, I'd suggested that investors get in on top defence stocks, as we traverse an increasingly multipolar world.

When this week started, Russian president Vladimir Putin moved to acknowledge the sovereignty of two separatist entities in the eastern Ukraine. He followed that up with the movement of Russian troops and military vehicles into those areas. That was a mere prelude to the larger military operation that President Putin's forces undertook in the early morning of February 24, 2022. This included a multi-pronged invasion and aerial bombardment of targets far further west, including the capital in Kiev. The ball is now in the court of NATO allies, who are sure to respond with further sanctions.

### Here's a defence stock to buy on the dip in late February

**CAE** ([TSX:CAE](#))([NYSE:CAE](#)) is a Montreal-based company that designs, manufactures, and supplies simulation equipment and training solutions to defence and security markets, commercial airlines, business aircraft operators, and others. Shares of this defence stock have dropped 4.9% in 2022 as of close on February 23. The stock is down 8.5% year over year.

The company released its third-quarter fiscal 2022 earnings on February 11. It posted revenue of \$848 million — up from \$832 million in the previous year. Meanwhile, its Defence segment revenue jumped 42% year over year to \$426 million. Moreover, adjusted segment operating income rose to \$32.0 million over \$19.6 million in Q3 FY2021. CAE still boasts a strong pipeline of \$6.2 billion.

Shares of this defence stock are trading in [favourable value territory](#) at the time of this writing.

### Don't sleep on this discounted defence stock today

**Heroux-Devtek** ([TSX:HRX](#)) is another Quebec-based company that is engaged in the design, development, manufacturing, assembling, and repair and overhaul of aircraft landing gears, custom ball screws, and other key components. This defence stock has plunged 9% so far this year. Its shares

are still up 8.4% from the prior year. I'd [suggested](#) that investors scoop up Heroux-Devtek back in late 2021.

It released its third-quarter fiscal 2022 results on February 9. Net income fell 24% year over year to \$6.5 million. Meanwhile, reporting sales declined 13% to \$131 million. Defence sales performed better than the sharp decline in Civil sales. However, adjusted net income in the year-to-date period was reported at \$20.6 million — up from \$18.8 million in the previous year.

This defence stock last had a favourable price-to-earnings ratio of 20.

## One more TSX Venture stock to snatch up right now

**A2Z Smart Technologies** (TSXV:AZ)([NASDAQ:AZ](#)) is the third defence stock I'd look to snatch up in late February. This Toronto-based company provides services in the field of advanced engineering capabilities to the military/security markets and governmental agencies in Israel. Shares of this defence stock have plunged 45% so far in 2022. The stock is down 82% year over year.

Shares of this defence stock last had an RSI of 34. That puts A2Z Smart Technologies stock just outside of technically oversold territory.

### CATEGORY

1. Investing

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1. NYSE:CAE (CAE Inc.)
2. TSX:CAE (CAE Inc.)
3. TSX:HRX (Héroux-Devtek)

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