



## Parkland Fuel: A New Power Is Rising in the West

### Description

*By Cameron Conway*

Last Friday, **Parkland Fuel** ([TSX:PKI](#)) released its third-quarter results. The company managed to post revenue of \$1.5 billion, a gross profit of \$112.8 million, and earnings per share (9 months ending) of \$1.00. But there was a surprise waiting for investors.

### Going south

Parkland announced that it had entered into a definitive agreement to purchase North Dakota-based SPF Energy. The price tag from SPF Energy's parent companies **Farstad Oil** and **Superpumper** comes in at \$110 million. The payments will be made through \$89 million in cash and \$21 million in Parkland shares.

This acquisition gives Parkland a foothold in the United States with access to SPF's gasoline, distillates, and lubricating oil markets, where 1.1 billion liters of refined petroleum products currently flow into North and South Dakota, Montana, Minnesota, and Wyoming.

Parkland not only scored this new market territory (including 200 independent gas stations) but also receives a rail trans-loading facility and the equivalent of 40,000 barrels of bulk storage in Minot, North Dakota. The deal is expected to close by Jan. 1.

This is not the only major purchase Parkland has made this year; it also bought

Elbow River Marketing, Sparling's Propane, and TransMontaigne. On top of the SPF Energy acquisition, Parkland believes these deals will add \$55 million in adjusted EBITDA to the company.

### The many faces of Parkland

These 2013 acquisitions are being brought into an already nationwide portfolio. Where some oil, gas and lubricant distributors have made their homes in the major cities of Canada, Parkland has carved out a niche market in rural Canada and continues to grow as Canada's largest independent marketer

and distributor of fuels.

If you don't recognize the name Parkland Fuels Corporation you may recognize one or more of its regional and national branches, including Bluewave Energy, Columbia Fuels, Neufield Petroleum & Propane, Island Petroleum, Fas Gas Plus, and Race Trac Gas.

The parent company may be obscure now, but its growth-through-acquisition strategy means it's trying to become a force to reckon with in the energy sector.

## **CATEGORY**

1. Investing

## **TICKERS GLOBAL**

1. TSX:PKI (Parkland Fuel Corporation)

## **Category**

1. Investing

## **Date**

2025/07/19

## **Date Created**

2013/11/14

## **Author**

motley-fool-staff

default watermark

default watermark