



This Toilet Paper Stock Could Make You a Billionaire

Description

KP Tissue ([TSX:KPT](#)) is Canada's leading [tissue products supplier](#) by overall dollar and volume market share. It produces, distributes, markets and sells a wide range of disposable tissue products, including bathroom tissue, facial tissue, paper towels and napkins, for both the consumer and the Away-From-Home (AFH) markets. While the company's principal focus is on the Canadian consumer-branded tissue products market, KP is also a leader in the Canadian AFH market and has a considerable presence in the U.S. private label tissue market.

Capacity to scale up

KP is headquartered in Mississauga, Ontario and has approximately 2,700 employees across Canada and U.S. KP operates a total of eight production facilities, including five plants, four of which are located in Canada and one in the U.S. KP's Canadian paper manufacturing facilities, consists of four tissue plants in Québec and one plant in British Columbia.

The company has a combined annual tissue production capacity of approximately 345,000 metric tonnes representing approximately 38% of Canada's annual production capacity. Recently, a new paper machine (TAD) was successfully started up by the company with an aggregate annual capacity of 70,000 metric tonnes.

Respected consumer brands

KP has held the number one dollar [market share](#) position in the consumer bathroom tissue category since 2000. Further, KP is the leading tissue manufacturer in Canada with strong market share positions across all major consumer tissue product categories including bathroom tissue, facial tissue, paper towels and napkins. In the Canadian consumer business, KP primarily sells branded products. These products are marketed under a number of trademarks, including Cashmere, Purex, and SpongeTowels, all of which are owned by KP.

KPLP sells both branded and private label tissue products to customers in the U.S., primarily at the

premium quality level. The U.S. private label business continues to grow, and KP has great relationships with several U.S. retailers. TAD bathroom tissue and towel products are a key component of KP's strategy of growing its sales in the U.S. market, as TAD products are increasing in demand and allow KPLP to provide the highest level of quality to major U.S. retailers.

Diverse customer base

KP's consumer products are sold to the Canadian and U.S. retail grocery industry, either directly or through wholesalers, and to a number of other retail distribution groups, including drug stores, variety stores, mass merchandisers and wholesale clubs. Distributors deliver KP products to end-users, which can range from local restaurants and schools to major hotels and office buildings across the country. KP also supports other segments including healthcare and a variety of manufacturers.

Robust product development

KP's strong product development program plays a significant role in the company's ongoing objective of developing and maintaining products that are clearly differentiated in the marketplace. KP's product development team creates products designed to meet customer and consumer needs, which in turn leads to increased sales as well as opportunities for cost reduction.

A small team of specialized technical personnel work closely with the product development coordination team to schedule and manage anything from pilot to commercial trials.

Due to significant competitive advantages, KP's stock should outperform the general market over the long term.

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