TFSA Investors: 1 Value Stock to Buy in April

Description

Keyera ([TSX:KEY](#)) operates an integrated Canadian-based [energy infrastructure business](#) with extensive interconnected assets and depth of expertise in delivering energy solutions. The company has the potential to be the North American leader in delivering energy infrastructure solutions. Keyera is committed to a strategy of delivering steady disciplined growth to create long-term value for shareholders.

Keyera owns and operates raw gas gathering pipelines and processing plants, which collect and process raw natural gas, remove waste products, and separate the economic components before the sales gas is injected into pipeline systems for transportation to end-use markets.

Keyera's infrastructure businesses operates in the [oil and gas sector](#) between the upstream sector, which includes oil and gas exploration and production businesses, and the downstream sector, which includes the refining, distribution, and retail marketing of finished products. The company owns several valuable assets and controls approximately 4,400 kilometres of gathering pipelines and holds interests in 14 active gas plants in Alberta.

Robust business strategy

Keyera provides condensate handling services through condensate gathering pipelines and stabilization facilities. The company also owns and operates a network of facilities for the gathering, processing, fractionation, storage, and transportation of the by-products of natural gas processing.

As part of this strategy, Keyera focuses on customer service and maximize utilization of the company's facilities. The company utilizes assets to access high-value markets. Over the last three years, Keyera's drive to deliver safe, reliable, and cost-effective operations has been reflected in the company's operational excellence, cost containment, and efficiency optimization efforts.

Rational capital allocation

Over this period, Keyera has grown the company's business by investing approximately $2.82 billion in growth projects and acquisitions, underpinned by fee-for-service contracts. A significant portion of Keyera's capital investment in the last three years has been focused on developing a strong presence in northwestern Alberta to provide infrastructure solutions to producers actively developing the natural gas liquids (NGL) rich Montney and Duvernay geological zones in the region.

Other key areas of investment have been the continued expansion of Keyera's industry leading condensate system, which delivers key services to oil sands producers, and strategic investments in other NGL and crude oil hubs. Keyera's growth strategy has been coupled with discipline in maintaining a conservative financial structure and maintaining dividends.

Strong balance sheet

Since the beginning of 2018, Keyera has increased dividends twice and maintained two investment grade issuer credit ratings. Grounded in the company's overall business strategy, Keyera considers a number of factors when evaluating capital projects and acquisitions. These factors include evaluating the ability to complement Keyera's capabilities and competitive advantages, ability to contribute an appropriate risk and reward to Keyera's capital program, and impact on environmental issues. This approach results in only undertaking contracts that provide secure long-term cash flow,

As part of Keyera's prudent approach to managing the company's balance sheet, over the past three years, the company has extended Keyera's credit facility. Further, it raised gross proceeds of $800 million through the 2018 and 2020 public offerings of medium-term notes. This approach is likely to benefit long-term shareholders.

CATEGORY

1. Energy Stocks
2. Investing

POST TAG

1. canada

TICKERS GLOBAL

1. TSX:KEY (Keyera Corp.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Energy Stocks
2. Investing

Tags

1. canada

Date
2025/09/08
Date Created
2021/04/05
Author
nikhilwaterloo

Footer Tagline