



TFSA Investors: 1 Obscure Value Stock With Low Risk

Description

Transcontinental ([TSX:TCL.A](#)) is a leader in [flexible packaging](#) in North America and Canada's largest printing company. The company is also positioned as the leading Canadian French-language educational publishing group. For over 40 years, Transcontinental has created quality products and services that allow businesses to attract, reach, and [retain target customers](#).

Transcontinental has over 8,000 employees, the majority of which are based in Canada, the United States, and Latin America. The company had revenues of approximately \$2.6 billion for the 2020 fiscal year.

Innovative packaging solutions

Transcontinental Packaging, the packaging arm of Transcontinental, positions itself as a leader in flexible packaging in North America and has operations in Guatemala, Mexico, Ecuador, United Kingdom, New Zealand, and China. This sector has approximately 3,800 employees, the majority of which are based in the U.S.

This platform is comprised of one premedia studio and 26 production plants specializing in recycling, extrusion, lamination, printing, and converting. Transcontinental Packaging offers a variety of flexible plastic products, including rollstock, bags and pouches, shrink films and bags, and advanced coatings. This sector services a variety of markets, including dairy, beverage, home and personal care, industrial, and medical.

State-of the-art plants

Transcontinental Printing, the printing sector of Transcontinental, is the largest printer in Canada and one of the largest in North America. This sector has approximately 3,800 employees and possesses a network of state of-the-art plants.

Transcontinental Printing provides an integrated service offering for retailers, including premedia

services, flyer printing and in-store marketing products, and door-to-door distribution through Publisac in Québec and Targeo, a pan-Canadian distribution brokerage service. This sector also offers an array of innovative print solutions for newspapers, magazines, colouring books, and personalized and mass marketing products.

Lucrative education publishing business

Transcontinental Media, the media sector of Transcontinental, employs approximately 200 people at TC Media Books and Groupe Constructo. TC Media Books is the leading Canadian French-language educational publishing group as well as a trade book publisher, the leader in the supplemental educational material market in Québec, and the leading distributor of French-language specialized books in Canada. Groupe Constructo is the leader in strategic information for Québec's construction industry.

Bright future outlook

The company's flexible solutions serve an array of end markets, including poultry, pet food, agriculture, beverage, personal care, industrial, consumer products, and supermarkets. Through the company's advanced coatings segment, Transcontinental also serves the medical, automotive and banking industries. The company's customers base ranges from international market leading customers to smaller regional businesses. Transcontinental's customers are predominantly food processors, beverage companies, retailers, supermarkets, grocery, convenience stores, consumer packaged goods companies, as well as industrial companies.

The company has entered contracts with many of the several major customers of the packaging sector. Such contracts have remaining terms varying between one to almost nine years and generally have price adjustment clauses based on volume, cost of raw materials, labour or the chemical data index. No single customer accounted for more than 15% of the company's revenues during the last two fiscal years. This serves the long-term shareholder well and reduces the risk of investing in Transcontinental.

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