



## ALERT: 1 Value Stock That Could Significantly Outperform

### Description

**Major Drilling** ([TSX:MDI](#)) is one of the world's [largest drilling services companies](#) primarily serving the mining industry. Established in 1980, Major Drilling has over 1,000 years of combined experience and expertise within the company's management team.

Major Drilling maintains field operations and offices in Canada, the United States, Mexico, South America, Asia, Africa, and Europe. The company provides a complete suite of drilling services, including surface and underground coring, directional, geotechnical, environmental, surface drill and blast, and a variety of mine services.

### Robust business strategy

The company's strategy is to be the world leader in specialized drilling. Major Drilling diversifies services offered within the drilling field, maintains a strong balance sheet, and strives to be the best in class in safety. The company has modernized the company's fleet with innovation and expanded the footprint in strategic areas.

Further, the company has embedded [environmental, social, and governance](#) (ESG) practices in Major Drilling's culture and core business practices, decision making, and enterprise risk management to create meaningful long-term value for all stakeholders. As such, the company is largely focused on specialized drilling. [Specialized drilling](#) has significant barriers to entry for smaller drilling companies and result in higher pricing and margins.

### High-growth potential

There are ongoing opportunities for the growth of the company's international mineral exploration drilling business. The company's international strategy to date has been to expand Major Drilling's business by building on the company's strong relationships with a number of multinational mining companies.

Major Drilling's ongoing relationships with various international mining companies should facilitate further expansion by the company into other countries where these companies are operating or are considering commencing operations.

## Strategic acquisitions and geographic diversification

The company regularly evaluates strategic acquisitions and partnerships. Joint venture agreements with indigenous communities are an important element of this strategy. While evaluating a strategic acquisition or expansion or partnership, geographic diversification is a key consideration in Major Drilling's business operations.

The company also focuses on diversifying operationally, within the specialized drilling field and is doing so in energy, surface drill and blast, longhole drilling, and in several other mine services. Major Drilling wants to achieve this goal by offering superior levels of service to the company's customers and stakeholders.

## Excellent customer service

The company strives to provide the same high level of customer service in all of Major Drilling's markets. Branches are set up as full-service facilities and have appropriate support staff and equipment, including inventories and spare parts, which allow branches to efficiently address any issues that may arise from time to time.

Management believes the extra costs incurred in fully supporting Major Drilling's branches are offset by less downtime and higher customer satisfaction. The company continues to investigate opportunities for expansion of Major Drilling's drilling business wherever such expansion may provide both positive cash flow and future growth potential.

Overall, the company prudently manages the company's cash and balance sheet, which enables it to take advantage of growth opportunities, and permits it to successfully weather cyclical downturns. This should serve long-term shareholders well.

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