



Value Stock Alert: 1 Ridiculously Cheap Stock Growing Fast

Description

Logistec ([TSX:LGT.A](#)) provides [specialized marine and environmental services](#). Marine services include cargo handling and terminal operations, marine transportation services, and marine agency services to the marine community and industrial companies. Through Logistec Stevedoring, a subsidiary of the company, Logistec provides bulk, breakbulk, and container cargo handling and other specialized services in 53 ports and 79 terminals in North America and the United States (U.S.) Gulf Coast.

The company had an average of 2,715 employees, including 1,651 in Canada and 1,064 in the U.S. in 2020. Logistec's revenues are generated 56% in Canada and 44% in the U.S.

Value-added marine transportation services

Cargo handling is the business of [loading and unloading ships](#) as well as loading and unloading of cargo to and from truck or rail in Logistec's various facilities. The company provides other related services such as warehousing, container stuffing and destuffing, and distribution. Logistec offers marine transportation services geared mainly to the Arctic coastal trade through a company named Transport Nanuk.

Foreign exposure

Further, Logistec is primarily active in the eastern Arctic during the summer and fall re-supply season and operates five ice-classed vessels under the Canadian flag. Five of the company's vessels participate in an international marine pool during the winter months, thereby generating revenue rather than incurring inactivity costs. The company also offers marine agency services to foreign shipowners and operators serving the Canadian market through Logistec Marine Agencies.

Diverse service offering

The agent represents foreign shipowners and operators that do not have offices in Logistec's territory. Services include obtaining services from pilots, coordinating the various port calls, attendance to crew requirements and other services performed on behalf of either the owner or the operator of the vessel in question.

New service markets

Recently, the company also started offering environmental services to industries, governments, and municipalities through Sanexen Environmental Services and Fer-Pal Construction. These services, provided principally in Canada, include renewal of underground water mains, soils and materials management, site remediation, risk assessment, and manufacturing of woven hoses. The renewal services are carried out either directly or through licensees.

Diversification strategy

Logistec is one of the largest stevedoring and terminal operators in Eastern Canada. The competition varies from port to port, since it operates terminals that mainly specialize in various dry niche cargoes. The company's strategy is to diversify Logistec's geographic network and cargo mix, and the company looks to maintain a balance between export and import activities. This has served it well and should allow it to maintain financial stability in a fluctuating and cyclical market.

Consistently profitable results

Continuous profitable results have been achieved since the company became publicly listed in 1969 through a focused approach on customer service, qualified employees, progressive labour relations, and modern cargo-handling techniques delivered through a network of strategically located facilities. A good portion of the company's environmental activities are carried out in central and eastern Canada. The company is one of the three most important environmental service providers in the stevedoring and cargo market, and this should serve shareholders well over the long term.

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