



ALERT: Buy This Cheap Stock and Double Your Money in March 2021

Description

Keyera ([TSX:KEY](#)) operates an integrated Canadian-based [midstream business](#) with extensive interconnected assets and depth of expertise in delivering midstream energy solutions. Midstream businesses operate 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.

Robust business model

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, primarily natural gas liquids (NGLs). The company also provides condensate handling services through Keyera's condensate gathering pipelines and stabilization facilities.

Keyera owns and operates a network of facilities for the processing, fractionation, storage, and transportation of the by-products of natural gas processing. The company markets a range of products associated with Keyera's two infrastructure business lines.

Strategic objectives

While the relative proportion of Keyera's operating margin generated by the company's fee-for-service segments versus the marketing segment varies year to year, Keyera manages the portfolio with a goal of maintaining a high proportion of fee-for-service business over the long term. Keyera's integrated business model creates a number of synergies between the company's businesses.

Keyera is well positioned to be the North American leader in delivering midstream energy solutions. The company has maintained a consistent commitment to a value-driven strategy of delivering steady growth supported by sustainable, competitive energy facilities. As part of this strategy, Keyera focuses on operational safety and provides reliable midstream services at a competitive price.

Operational efficiencies

The company pursues opportunities to increase throughput at existing facilities. It invests in expansion and optimization opportunities to meet customer needs and complement existing service offerings. Further, Keyera selectively pursues acquisitions and maintains a conservative capital structure. 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 initiatives. Over this period, Keyera has grown by investing approximately \$2.7 billion in growth projects and acquisitions, underpinned by fee-for-service contracts.

A significant portion of Keyera's capital investment has been focused on developing a strong presence in northwestern Alberta to provide infrastructure solutions to producers. 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, crude oil storage, and strategic investments in North American liquids hubs.

Disciplined capital allocation

Keyera considers a number of factors when evaluating capital projects and acquisitions, including service demands and willingness to commit to contractual terms and fit within Keyera's value chain. The company's approach to customer service and experience in joint venture relationships have allowed it to secure contractual underpinnings for major projects and provided flexibility in how it is able to deliver these projects.

Keyera's growth strategy has been coupled with discipline in maintaining a conservative financial structure and growing the company's dividends. Since the beginning of 2016, Keyera has increased the dividend three times and received two investment grade issuer credit ratings.

CATEGORY

1. Energy Stocks
2. Investing

POST TAG

1. Editor's Choice
2. TSX:KEY

TICKERS GLOBAL

1. TSX:KEY (Keyera Corp.)

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