

A public company since 1969, Logistec is listed on the Toronto Stock Exchange under the symbols LGT.A and LGT.B.

Corporate Overview

Logistec is a major Montréal-based provider of cargo-handling and other services to marine and industrial companies, municipalities as well as other governmental customers in North America. The company was founded in 1952 by Roger Paquin and has been publicly traded since 1969. Operations include:

Marine Services [43% of annual revenue in 2017]:

- Dry bulk, break-bulk and container cargo handling at some 35 ports and 58 terminals in Eastern Canada, in the Great Lakes, on the U.S. East Coast and in the U.S. Gulf;
- Marine transportation services geared primarily to the Arctic coastal trade;
- Marine agency services to foreign shipowners and operators serving the Canadian market;
- Short-line rail transportation.

Environmental Services [57% of annual revenue in 2017]:

- Services to industrial and municipal organizations relative to underground water mains, regulated materials management, site remediation, risk assessment, and manufacturing of woven hoses.

Key Reasons for Success

Marine services:

Industry consolidator: The Company has expanded over the years partly through the acquisition of smaller, independent cargo handlers;

Modernization: Management has been quick to adopt new cargo-handling techniques and undertake the necessary investment in modern equipment;

Geographic and cargo diversification: Logistec is broadly diversified geographically (approximately 25% of revenue comes from its U.S. operations) and in the variety of commodities it handles. The Company has facilities equipped to handle such commodities as containers, metals and forest products, fruit and refrigerated cargoes, and a variety of dry bulk cargoes such as grain, sugar, gypsum, coal, fertilizers, minerals and others. Our strategy is focused on diversifying our operations to cover a wide geographical area with a broad cargo mix and a blend of import-export activities.

Discipline: In its drive for growth, Logistec maintains strict capital spending criteria, which insure that as the Company's business volumes rise, its profitability rises as well;

Environmental services:

Maintain leadership of our technology and service package.

Growth Strategy

Marine services:

Focused on becoming a choice cargo-handler in North America, Logistec regularly studies opportunities to acquire additional cargo-handling businesses on the East and West Coasts and to create organic growth through outsourcing opportunities, diversification into other product areas and increased value-added services to customers. In the United States, the opportunity for growth through acquisitions is large since the market is served by a significant number of smaller, independently owned players operating only locally;

Environmental services:

Geographic expansion of Aqua-Pipe services in the USA and internationally. Increase production of large diameter woven hoses. Geographic expansion of our traditional environmental services.

Investment Opportunity

- Profitable in every year since the 1969 IPO and has paid dividends each year with payments that have grown steadily (13.7% of profit for the year in the past decade paid out to shareholders excluding special dividends);
- Significant growth potential through a continuing program of strategic acquisitions and diversification s international trade continues to grow;
- Sizeable cash balances and very low (26.7%) debt/capitalization ratio.

Valuation

As at December 31, 2017, Logistec's shares were valued at approximately 20 times its earnings. On such date, its market capitalization represented approximately 116% of its 2017 revenue. This market valuation appears low, given the company's proven track record of long-term growth, profitability, positive cash flows and dividend payments.

Financial Summary

(in millions of dollars, except per share amounts)

	2017	2016	2015
Revenue	475.7	343.3	358.0
EBITDA ⁽¹⁾	70.8	42.0	56.3
Profit for the year ⁽²⁾	25.4	18.9	29.1
Earnings per share ⁽³⁾	1.95	1.48	2.34
Return on average equity ⁽²⁾	11.89%	9.65%	16.52%

⁽¹⁾ EBITDA is a non-IFRS measure & is calculated as the sum of profit attributable to owners of the Company plus interest, income taxes, depreciation & amortization expense, & customer repayment of investments in service contracts

⁽²⁾ Attributable to owners of the Company

⁽³⁾ Adjusted to reflect the 2014 stock split

Market Data

Weighted average number of fully diluted shares (in 2017):	13,015,840
Shares outstanding (as at December 2017):	12,519,477
Class A (30 votes/share)	7,406,222
Class B (1 vote/share)	5,113,255
Dividend per share (in 2017)	
Class A: \$0.3150	Class B: \$0.3465

Officers

Madeleine Paquin | President and CEO
 George R. Jones | Chairman of the Board
 Jean-Claude Dugas, CPA, CA | Vice-President, Finance
 Suzanne Paquin | Vice-President
 Alain Sauriol | Vice-President, Environmental Services
 Stéphane Blanchette, CHRP | Vice-President, Human Resources
 Ingrid Stefancic, LL.B., FCIS | Vice-President, Corp. & Legal Services
 Marie-Chantal Savoy | Vice-President, Strategy & Communications
 Luc Pilon, CPA, CA | Corporate Controller
 Martin Beaulac, CPA, CGA | Treasurer

Transfer Agent and Registrar

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