



## Have You Considered Alimentation Couche Tard Inc.?

### Description

Every so often an opportunity arises on the market that can lead to incredible gains for investors.

**Alimentation Couche Tard Inc.** (TSX:ATD.B) represents one such opportunity.

For those unacquainted with Couche Tard, the company is one of the largest owners of convenience stores and gas stations in the world, with over 12,000 locations spread across North America, Europe, and Asia. Couche Tard currently operates those stores under a myriad of brand names including Mac's, Couche Tard, Circle K, and Kangaroo Express, but Couche Tard is undergoing a rebranding effort that will see most locations operate under the global brand Circle K.

Here are a few reasons investors may want to consider investing in Couche Tard.

### Couche Tard is cleaning up the market

If there was a single word to summarize the convenience store and gas station market that Couche Tard operates in, that word would be "fragmented". Convenience stores and gas stations are notorious for being owned and operated either individually, or through smaller chains. Couche Tard happens to be the second largest chain globally, but the size difference is so extreme that Couche Tard has more locations than several of the next largest operators combined.

This puts Couche Tard in prime position to acquire any companies that represent an intriguing opportunity, which Couche Tard has done on several occasions over the past few years. Over 2,000 locations were added to Couche Tard's sprawling network of stores in the past two years alone.

That aggressive growth seems to have no end in sight thanks to another interesting facet of Couche Tard – the company is a cost savings and efficiency expert.

When Couche Tard acquired The Pantry Inc. just over two years ago, the company forecasted savings of \$85 million. Couche Tard hit \$78 million in savings earlier this year and is likely to continue becoming even more efficient as additional locations become fully integrated, such as the Topaz brand which was added the Couche Tard family at the close of fiscal 2016.

### **What about a dividend?**

Couche Tard is primarily a growth stock, but that doesn't mean that investors shouldn't have the benefit of some dividends.

Couche Tard does offer investors a dividend, but the current quarterly dividend of \$0.09 per share provides only a paltry 0.57% yield. While this is hardly a reason to consider investing in the company alone, what is encouraging is that Couche Tard has now increased the dividend at least once in the previous seven consecutive years with an impressive growth rate of nearly 30%.

The most recent uptick came late last year, and if Couche Tard follows up with an eighth consecutive year of increases, we could see yet another increase follow later this year.

In my opinion, Couche Tard remains a great investment opportunity for those investors looking to diversify their portfolios with a growth stock that has significant upside.

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