



Have You Considered Alimentation Couche-Tard Inc. (TSX:ATD.B) Recently?

Description

There are ample opportunities in the market for investors that are looking either for an [income-producing investment](#) or one that can provide years of growth potential, but the one segment of the economy that continues to draw significant concern from investors is retail.

Over the past decade, the face of retail has significantly changed from a predominately brick-and-mortar, offline-first model to one where an online mobile-first platform is not only preferred, but often required to stem the loss from the growing internet-based retailers that can offer larger selections and, in many cases, lower prices.

Investing in **Alimentation Couche-Tard Inc.** (TSX:ATD.B) is one way that investors can buy into a retail business that is lucrative, growing, and not under threat from the mobile commerce onslaught.

For those that are unaware, Couche Tard operates a network of gas stations and convenience stores that blankets Canada, the U.S., and parts of Asia. While the company owns a dizzying array of brands that includes well-recognized brands such as Circle K, Mac's, Kangaroo Express, and Couche Tard, in recent years the company has been working at consolidating its brands to a more manageable and recognizable level.

Over the past few years, investors in Couche Tard have witnessed the stock grow at an incredible rate, owing to the nearly insatiable appetite the company had for acquiring smaller players in the market and then rebranding them under the Circle K brand and realizing cost synergies before moving on to the next target.

Couche-Tard is a long-term bargain that few investors realize

One thing that really impresses me about Couche-Tard is the opportunity the company possesses.

The gas station and convenience store sector may not seem that lucrative, but it plays a significant part in the overall economy, and there are opportunities for long-term growth.

Most convenience store and gas stations are either independently owned or part of smaller regional

networks that don't typically catch the attention of larger companies that are shopping for acquisitions. This leaves Couche-Tard in a prime position to swoop in and acquire the smaller player, which is typically in a market that is underserved or not served at all by Couche-Tard.

That model is even more lucrative in other markets such as in Asia, where the gas station and convenience store model is morphing into more of a destination as opposed to a stop on the way home. Stores there are experimenting with adding seating, offering more fresh food options, and increasing the overall atmosphere to customers.

As that model continues to evolve and roll out to more locations, the potential for additional revenue opportunities continues to unfold.

Is Couche-Tard a good investment?

Couche-Tard currently trades at just over \$53, with a P/E of 19.79. Over the past year, the stock has dipped over 15%, but this is more the result of seasonal fluctuations rather than any perceived weakness in the business.

Specifically, Couche-Tard's acquisition of CST still hasn't really impacted growth in a positive way, as the expected synergies are likely to not take effect until later this year — something many analysts view as a vehicle to providing double-digit growth to earnings over the next few years.

As a result, the current weakness in the stock should be seen as an opportunity for investors to seize the moment and be greedy with what is potentially one of the best [long-term growth plays](#) on the market.

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Author

dafxentiou

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