



## This Iconic TSX Growth Stock Just Hit a New All-time High for the 1st Time in Years: Why It Could Head Much Higher

### Description

Don't look now, but **Alimentation Couche-Tard** (TSX:ATD.B) just soared out of its multi-year [consolidation channel](#) to hit a new high just shy of \$69.

To fuel this recent movement, the company clocked in a phenomenal quarter, and while the broader markets have corrected with many names in deep bear territory, Couche-Tard stock has been off in its own world, rallying in spite of negative broader market moves as most negative beta stocks do.

In many prior pieces, I noted that Couche-Tard was one of the most misunderstood names on the entire TSX, and although the pace of the company's acquisitions had slowed down of late, the company was still deserving of a higher growth multiple when considering the fairly transparent longer-term growth opportunity at hand.

The fact remained that Couche-Tard had a very high growth ceiling that could realistically fuel decades worth of sustained double-digit top and bottom line growth numbers. Simply put, the extremely fragmented global convenience store industry is Couche-Tard's oyster, and of all consolidators in the space, I don't think anyone comes close to having the same level of expertise in driving synergies from c-store takeovers conducted at the international level.

### Tremendous progress over the past year

Organic growth has been the name of the game for Couche-Tard this year. While the pace of acquisitions has come to a halt of late, management has been very busy behind the scenes, driving its organic growth numbers by improving operational efficiencies across its vast network of c-stores that have been acquired over the years.

Moreover, Couche-Tard's new CIO (Chief Information Officer) and CMO (Chief Marketing Officer) executive roles show that the company is serious about adapting to the profound changes that the entire retail scene may be faced with over the next decade and beyond.

Whether it's through the potential disruption via autonomous vehicles or the continued rise of e-

commerce, CEO Brian Hannasch isn't willing to take a wait-and-see approach. The man is taking a proactive approach to combat any potential disruptive forces and with new hires CIO Deborah Hall Lefevre and CMO Kevin Lewis who will assist Couche-Tard in leveraging both technology and merchandise branding to enhance store traffic, further bolstering already impressive SSSG numbers we've witnessed over the past year.

### **Foolish takeaway**

Couche-Tard isn't a lower-growth stalwart compared to its former self. It's still [firing on all cylinders](#) and management still expects to double in size over the next five years, which is remarkable considering the company's \$39 billion market cap.

Over the next few years, I think Couche-Tard stock will make up for lost time, as investors begin to gain an understanding of what the company's all about and what the next move will be. I believe their sights will be set on the high-ROE Southeast Asian market, and as they go after M&A opportunities once again, you can be sure that management won't be neglecting its existing stores which are absolute cash cows that appear to be getting better by the quarter.

I thought Couche-Tard's recent 9.4% profit rise in Q2 fiscal 2019 was applause-worthy and that the rally which ensued was warranted. I also think the breakout and the impressive results will be the start of a rally past \$90 over the next year, implying 30% in upside from today's levels.

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