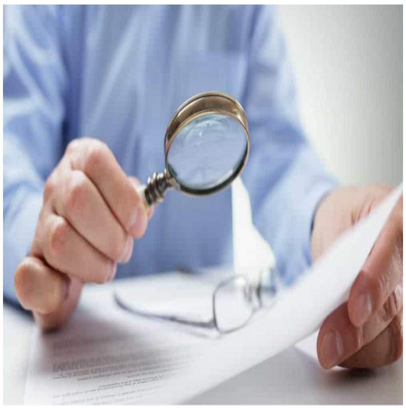

Could This Be Canada's Best Growth Stock to Buy for Summer?

Description

There are plenty of wonderful growth stocks out there, but none, I believe, are as timely at this juncture as **Alimentation Couche-Tard** (TSX:ATD.B), a convenience store kingpin that's perfected the growth-by-acquisition model with its incredible management team that's capable of driving synergies from deals like it's nobody else's business.

There's a lot to love about Couche-Tard at today's levels. While the stock isn't dirt cheap at the time of writing, it's at a pretty fair price when you consider the magnitude of growth that the firm is still capable of — a wonderful business at a fair price. If it's good enough for Warren Buffett, it ought to be good enough for Foolish investors!

After hibernating for around three years, the owl has finally awoken, surging an applaud-worthy 54% from its April lows and breaking through its long-term ceiling of resistance. Although it may seem foolish (that's a lower-case "f") to purchase shares after such a big run, I'd argue that after such a prolonged period of consolidation (and value-adding spring cleaning) that the stock could be gearing up for another massive run like it had in the early 2010s.

Although Couche-Tard has over 15,000 stores under its belt, the company has barely scratched the surface of the global convenience store space. From a global perspective, the growth ceiling is still high, leaving no shortage of acquisition opportunities for the $46 billion growth sensation.

While there's still plenty of room to conduct M&A, Couche-Tard isn't picking up more merchandise than it can hold. The managers running the show are incredibly long-term oriented and aren't interested in propping up the short-term stock price if it means that hardships could be faced down the road.

As debt levels continue to decline, it will be just a matter of time before Couche-Tard is ready to pick up new merchandise, perhaps in higher-ROE markets like those in the Southeast Asian region. If I were to guess, I'd say that the firm is going to make a smaller splash in such a market to test the waters, and not introduce a ton of integration risk by making a massive acquisition like the $4.4 billion scoop up CST Brands a while back.

In any case, there's a lot to look forward to with Couche-Tard. There's a ton of growth left in the tank, you're getting exceptional stewards who are among the best in the world at what they do, and you're not really paying a huge premium for the double-digit EPS growth that's expected.

The stock trades at 18.1 times forward earnings, and 3.9 times book, both of which are lower than the five-year historical average multiples of 21.5, and 4.7, respectively. Moreover, 0.6 times sales is also ridiculously cheap for a company of the calibre of Couche-Tard.

With ROE numbers that have consistently remained above 20%, a prolonged track record of clocking in double-digit top and bottom-line numbers, a solid history of dividend growth, and a lower beta that can secure investors from the market's volatility storm, I see Couche-Tard as one of the few quintessential holding as we head into the summer months.

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Date
2025/07/03
Date Created
2019/05/16
Author
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