



This Is a Convenient Investment to Buy Now

Description

How often do you step into a convenience store or gas station kiosk and consider investing in that business? Chances are you don't, and that's OK. We frequently discount the feasibility of a business that we frequent as consumers, which is not unlike viewing your utility as an investment. We take for granted the service that we receive as consumers and dismiss the investment opportunity.

In case you haven't realized it yet, there's massive potential for businesses like these. In the convenience store/gas station business, **Alimentation Couche-Tard** (TSX:ATD.B) reigns supreme as an option that every investor should be well aware of.

All things Couche-Tard

While my French may be a little rusty, Couche-Tard is anything but a night owl. The company has established a massive global network of nearly 15,000 stores spanning dozens of countries on five continents.

Incredibly, much of that growth has come in the last decade. Couche-Tard's near insatiable appetite for expansion has seen the company progress from one acquisition to the next, culminating in the CST Brands acquisition in 2016, which brought an additional 2,000 stores into the company's network.

Couche-Tard is also actively building out new locations for its network. During the current fiscal year, Couche-Tard had 49 stores under construction while continuing to pursue acquisition targets both big and small.

Notably, unlike other businesses with an established national presence, the gas station/convenience store market is often very localized, with several smaller regional players presiding over an area.

In other words, a larger business with more financial resources such as Couche-Tard can quickly enter those markets and acquire those smaller players. One such example of this is the 17 locations acquired from a smaller franchise operator in the most recent quarter.

That's not to say Couche-Tard is done with larger acquisitions, however. After making a multi-billion dollar offer for Australian-based Caltex in December, Couche-Tard announced a sweeter deal this week for Caltex, which operates 2,000 locations.

The improved offer will be Couche-Tard's biggest yet, coming in higher than the \$7.7 billion offer made back in December.

Should you buy?

Couche-Tard is an [interesting investment](#) option. The company has exhibited incredible growth in the past few years — a trend that appears unlikely to stop anytime soon.

In addition to those strong growth prospects, Couche-Tard is also taking part in an ongoing global rebranding of its stores under the popular Circle K banner. This not only reduces confusion, but also lends itself better brand visibility and trust to both employees and customers alike.

The sweetened deal for Caltex has some investors worried, which is reflective of the recent pullback in the stock. Long-term investors should view this as well as the Caltex option as an opportunity with massive potential.

Couche-Tard has yet to fully penetrate the Australian market, and this deal, if it were to come to fruition would provide a proven management team with the means to do just that.

In my opinion, Couche-Tard should be a core [long-term holding](#) for any growth-seeking investor.

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Date

2025/09/29

Date Created

2020/02/14

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