



This Crash-Proof Stock Is Too Cheap to Ignore: Act Now

Description

Boyd Group Income Fund (TSX:BYD.UN) operates a crash-proof business. It owns more than 600 collision repair centers across North America. More than 90% of its revenues come from insurance companies.

When the economy is good, vehicles accidents occur. When the economy is bad, vehicle accidents occur. Damaging your car isn't dependent on the season or economic cycle. If insurance is footing the bill, there's no reason why you wouldn't take it in for repairs.

During the 2008 financial crisis, business actually *improved* for the company. At the start of 2008, shares were priced at \$2.40. At the start of 2009, the depth of the bear market, shares were priced at \$3.10. By the start of 2010, the stock surpassed \$5.

When global markets were cratering, Boyd stock *doubled* in value. If that's not stability, I don't know what is.

This stock isn't just reliable during a bear market. During a bull market, the company is able to grow rapidly. As mentioned, the stock was priced at \$5 at the start of 2010. By the end of the decade, shares had surpassed \$200. That's a 5,000% gain in 10 years!

But markets can be strange from time to time. The [coronavirus crash](#) is no exception. Even with a crash-proof business model and a proven history of outperforming during a market downturn, Boyd stock has been crushed.

Over the past few weeks, shares have lost one-third of their value. This is a buying opportunity that you shouldn't take lightly. Boyd stock hasn't been on sale in more than a decade. A correction of this magnitude is unprecedented.

Here's the good news: this stock's rise is just getting started.

Don't ignore this crash-proof stock

Boyd stock has been placed in the bargain bin for the first time in years. Its business, meanwhile, will be completely insulated from economic volatility.

As mentioned, Boyd operate full-service repair centres offering collision repair, glass repair, and replacement services. It has 130 locations in Canada and 550 locations in the U.S.

Expanding locations is how Boyd has been able to deliver 5,000% growth over the last decade. The company realized that the North American collision repair industry was incredibly fragmented. More than 80% of locations were independent stores, most of which were single-location businesses.

As the only publicly-traded collision repair company, Boyd was able to tap the credit markets, acquire the competition at bargain prices, and remove any overlapping expenses to ramp free cash flow generation quickly. It's a recipe for success that Boyd has repeated over and over for two decades straight.

The company isn't anywhere close to finished. The industry in total includes 32,000 shops in the U.S. and 4,600 shops in Canada, giving Boyd a 1.8% market share. The majority of the market still consists of independent, single-location businesses, so Boyd has years of acquisitions left before growth slows down.

Notably, the company is free cash flow positive with more than \$250 million in cash and credit. Even if credit markets tighten, Boyd will continue to make acquisitions. The downturn could actually be beneficial, as the company can secure lower acquisition prices.

This stock simply didn't deserve to be hammered. With a crash-proof business model and a decade of growth ahead of it, this stock won't be a bargain for long.

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