



This TSX Growth Stock Is a Must-Buy in April

Description

During this selloff in **TSX** stocks, many investors have been scouring the markets for the best discounts and deals. Investors know the importance of buying these dips and averaging down your positions when you can.

This can be a big boost to returns when markets start to rally, which is why it's so important. During this market crash, deals didn't last long. Investors were keen to find the best long-term businesses they could, which led to a rapid recovery in TSX stocks.

If you feel like you may have missed your opportunity to buy TSX stocks, worry not. There are still some significant opportunities out there, such as **Alimentation Couche-Tard Inc** (TSX:ATD.B).

Couche-Tard is a rapidly growing stock that can offer investors growth potential for years. It also operates in a defensive industry, though, making it an ideal stock to buy today.

Consumer staple TSX stock

Alimentation Couche-Tard just recently reported its fiscal 2020 third-quarter earnings, and once again, the top TSX stock saw strong growth. The impressive results gave management enough confidence to increase the dividend by 12%.

The stock is well positioned to handle the [current environment](#), although it's not entirely immune. Short-term headwinds such as lower fuel sales with people staying home and not driving to work could weigh on the business. Plus, it could likely affect merchandise sales as well, as Couche-Tard sees lower overall traffic.

Its same-store sales growth (SSSG) was strong in the quarter. Only the company's European division came in below Couche-Tard's internal targets. The strong growth in SSS can be attributed to a few factors.

First, the work that TSX stock has done to rebrand its stores under the Circle K brand has had a

meaningful effect already with customer loyalty. Furthermore, fresh-food pilots and initiatives that have helped drive in-store traffic also played a role in the SSSG.

In addition to being well-positioned as a company, it's also well positioned financially. Couche-Tard has a solid balance sheet and strong liquidity, generating ample free cash flow.

Furthermore, for a company that's been growing by acquisition, if the current market environment persists, it could create an opportunistic acquisition environment. This could be a major positive for Couche-Tard and help the top TSX stock to reach its growth goals.

One of the cheapest TSX growth stocks

Management's goal all along has been to double earnings before interest, taxes, depreciation and amortization (EBITDA) in the five years from 2018 to 2023. Much of that growth would need to come from acquisitions, so if market conditions persist, Couche-Tard could see even [faster growth](#).

Other factors that management will use to influence the growth are further rebranding of its stores and expanded subscription programs to drive customer loyalty.

As of Thursday's close, the TSX growth stock was trading at roughly 14 times the consensus 2020 estimated earnings from analysts. Looking back, the stock historically trades with an average of approximately 18 times earnings.

The stock clearly has significant value, trading nearly 20% off its 52-week high.

Bottom line

What's most important when buying TSX stocks in this environment is value and reliability. These market crashes are rare chances to buy businesses extremely undervalued. However, if you buy a business that isn't reliable, it may not survive to see the economy turn around.

With Couche-Tard, investors don't have to worry about its resiliency. The company will continue to grow and reward shareholders handsomely, especially those who take advantage of this major discount today.

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