



Forget Tesla (NASDAQ:TSLA): This Electric Car Stock Is Flying Under the Radar

Description

On Tuesday, **Alimentation Couche-Tard** (TSX:ATD.B) released fiscal 2020 fourth-quarter and year-end results. All things considered, the quarter was a difficult one, as revenue dropped by approximately 26% year over year.

Despite this, it was a [strong quarter](#), as the company beat on the top and bottom lines. Earnings of \$0.47 per share beat by \$0.04, and revenue of \$9.69 billion beat by \$330 million. The market reacted with little fanfare, and the company's share price closed at \$43.57, down by 0.07% on the day.

After recapping earnings, let's take a deeper dive to see if we can gain additional insights from the conference call.

Changing consumer habits

There is a trend that is emerging: changing consumer habits. A couple of weeks ago, **Dollarama** released quarterly results and had [similar commentary](#). It appears that consumers are making larger purchases, but making fewer trips to the stores.

"Our customers changed their shopping behaviors moving to larger basket sizes, with more impulse and emergency items and take-home packages." — Brian Hannasch, Alimentation Couche-Tard president and CEO

Alimentation Couche-Tard is adapting by offering different package sizes and reducing the number of potential touchpoints. It is an issue facing all retail companies, and those that are better able to adapt are likely to come out on top.

Is the change permanent? It is too soon to tell, but management did not give any indication that consumers are reverting to historical trends. The change in habits appears here to stay in the short to medium term.

A play on the EV market?

One aspect that isn't talked about nearly enough is the company's rapid growth of electric vehicle (EV) charging stations. It has a global network of retail fuel stations and is well positioned to be a leader in this area.

Alimentation Couche-Tard is making a big EV push in Norway, which can provide insight on what a global roll-out can look like. Mr. Hannasch explained:

"We've installed more than 450 chargers at 81 sites in Norway. We now lead the country both in share and absolute number of high-speed chargers. In the urban market of Oslo, we were the first to convert an entire station to EV charging. We've also launched a home charging effort. This year, we've now got 1,200 units installed in residential chargers and 3,000 units committed"

What is particularly interesting on this front is that the company is creating a network of end-to-end EV solutions. It is not limiting itself to traditional fuel locations — it is going straight to the consumer. In response, there seems to be strong uptake for these residential charging units.

One of the issues holding the entire EV industry from making significant gains is the inconsistent network of charging stations. Alimentation Couche-Tard is well positioned to help close these gaps. It is a segment worth paying close attention to and, in my view, is a significant growth catalyst.

Is Alimentation Couche-Tard a buy today?

After earnings, I expressed that I was bullish on the company. It is one of the most consistent performers on the TSX Index, is well capitalized, and is poised for continued growth.

Although changing consumer habits are a little concerning, Alimentation Couche-Tard is not your typical retailer. Given this, I think that these changing habits will be temporary. At worst, a small permanent change is likely and one that the company can handle.

Furthermore, what the company is doing in Norway is exciting. The company is a "global pioneer" on the EV charging front. It is "committed to being a part of the solution and creating an ecosystem both at home and on the road for our [indiscernible] customers in Norway."

A global expansion of this ecosystem is only a matter of time and one that can make Alimentation Couche-Tard a leading EV player. It is also trading at much cheaper valuations than EV car makers such as **Tesla**.

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