



A Top Warren Buffett-Style Stock to Buy and Hold in Your TFSA for Decades

Description

Warren Buffett isn't just one of the best investors of our time. He's also a fantastic teacher and a guide for self-guided investors who've decided to grow their wealth without having to pay a professional an exorbitant fee whether or not they produce results.

When it comes to his investments, the man likes to keep things simple.

He likes wonderful businesses with fairly predictable operating cash flow streams, preferably with a moat. And, of course, shares of such businesses have to be trading at reasonable prices to justify an investment. Warren Buffett doesn't chase the "sexy play" at any given instance in time, nor does he feel the urge to wander outside his circle of competence in search of larger near-term profits.

This piece will have a look at two easy-to-understand firms that fit the criteria of a Warren Buffett-style business. Consider **Alimentation Couche-Tard** (TSX:ATD.B), a convenience retailer that looks quite cheap at the time of writing. The well-run, well-capitalized firm has been growing at an above-average rate over the years thanks in part to prudently conducted M&A. Let's have a closer look at the name to see if it's a right fit for your Tax-Free Savings Account (TFSA) retirement fund.

Keeping the growth alive into old age

Couche-Tard is a global convenience store kingpin that continues to grow its earnings at a rampant rate, despite its colossal \$50 billion market cap. Couche is one of few large firms that's able to continue growing like it's still a mid-cap company.

How has Couche been able to keep the growth alive into maturity?

Look no further than Couche's brilliant management team. They know how to create value from every acquisition and divestiture the company makes. If no synergies can be generated from a potential deal, Couche won't waste its time trying to make the headlines to appease to short-term-focused investors. It's not just management's abilities to spot synergy opportunities that make Couche such [a wonderful long-term growth investment](#); it's their discipline and patience to wait for those rare M&A opportunities

that allow a shot to pay a dime to get a dollar, so to speak.

Exceptional stewardship that's worthy of a premium

Like Warren Buffett's **Berkshire Hathaway**, Couche has plenty of dry powder on the sidelines, with managers that will only deploy capital only when there's a very good chance that value will be created for its long-term shareholders.

Moreover, management knows the global convenience store industry like it's nobody else's business. As a result, they've been able to capitalize on industry trends, such as the rise in demand for fresh food at convenience stores and gas stations.

By keeping up with what people want, Couche has been able to drive a respectable amount of same-store sales growth, while padding its margins. Most recently, Couche dipped its toes into the cannabis retail waters, with a partial stake in pot retailer **Fire & Flower Holdings**. The venture is yet another initiative that could help Couche keep growth alive, as the company matures en route to becoming a mega-cap.

Foolish takeaway

At the time of writing, Couche-Tard stock looks absurdly [undervalued](#), with shares trading at just 0.7 times sales and 3.7 times book value.

Given the global convenience store industry is still very much fragmented, the growth ceiling remains high for Couche-Tard. The company has enough liquidity to pull the trigger on another elephant amid this unprecedented crisis, and once it does, count me as unsurprised if shares soar past \$55.

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