



## Beat a 2021 Market Crash with Cheap Growth and Defensiveness: Buy this 1 Stock!

### Description

In my view, **Alimentation Couche-Tard** (TSX:ATD.B) is the cheapest [growth stock](#) on the **TSX** today that provides investors a great deal of defensiveness right now. This is the perfect stock for investors with a “fear of missing out” on the growth of the market, but also want to protect their portfolio from a potential market crash.

### Business model provides incredible growth potential

The company has done a great job of retrofitting existing locations, and outfitting acquisitions with improved storefront presence. Couche-Tard has leveraged its brand and its expertise in optimizing the square footage of each location to increase sales. This has been a winning strategy.

Additionally, Couche-Tard has been able to make its acquisitions extremely accretive to both top and bottom lines. Couche-Tard is a master at improving the margins of the targets it acquires. These trends are extremely important when one analyzes this sector from a growth perspective.

### Asian growth extremely bullish for long-term investors

With more than 12,500 locations in North America, Couche-Tard is often viewed as a domestic play. That said, the company has recently made an acquisition in Asia to bolster its global footprint. The company has bid on a number of businesses in the Asia region, but has been very patient in terms of finding the right deals. This prudent acquisition strategy is one that I think will make Couche-Tard very successful over the long term.

Couche-Tard's role as a consolidator in the convenience store and gas station sector should be key to this company's growth thesis. The company has been able to grow impressively through a series of well-timed acquisitions.

## Size, scale, and low-beta fundamentals make this a defensive stock

Couche-Tard is one of the largest operators in its business. This company and 7-11 account for approximately 15% of the overall market. The fact that more consolidation could be on the horizon is bullish for investors in Couche-Tard. This is because higher degrees of market power and synergies create lasting shareholder value.

Furthermore, Couche-Tard's low beta metrics have meant this stock has proven to be a defensive winner for investors in the past. This unfortunately means Couche-Tard may not participate in market rallies to the same degree as other growth plays. That said, this company traditionally has less downside during market routs. These are core defensive attributes I think investors ought to consider.

## Bottom line

We're still in the very early innings of a growth story that has a tremendous amount of room to run. The sky appears to be the limit for Couche-Tard with respect to acquisitions. Every well-priced acquisition that is executed adds increased cash flows and margin to an already impressive balance sheet. This company has the means and willingness to be aggressive. This is at a time when so many of the company's competitors are not.

If we do see the type of V-shaped recovery that is being discussed, Couche-Tard could be one of those stocks that grows its way out of this mess.

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