



## This TSX Growth Stock Can Make You Rich

### Description

**Alimentation Couche-Tard** (TSX:ATD.A)(TSX:ATD.B) is a Canadian leader in the [convenience store industry](#) and the largest independent convenience store operator in the United States in terms of the number of company owned and operated stores. The company provides food, hot and cold beverages, car wash services, and [other high-quality products](#) and services including road transportation fuel in a clean, welcoming and efficient environment.

The company has a price to earnings ratio of 16.29, price to book ratio of 3.77, dividend yield of 0.88% and market capitalization of \$44.69 billion. Debt is very sparingly used at Couche-Tard as evidenced by a debt to equity ratio of just 0.77. The company has excellent performance metrics with an operating margin of 7.71% and a return on equity of 25.44%. Couche-Tard employs 131,000 people and operates 2,350 stores internationally in 15 countries and territories under the Circle K trademark through licensing agreements.

The company sells a broad selection of in-store merchandise and services that are designed to appeal to the convenience needs of customers. Couche-Tard also sells merchandise and goods to certain independent operators and franchisees. The company is a retail seller of road transportation fuel at full-service and automated sites. Couche-Tard also sells aviation fuel and earns rental income from operating leases for lands and buildings owned by the company.

Couche-Tard's store network diversity reduces exposure to adverse regional market conditions, including fluctuations in road transportation fuel prices. The company continually monitors competitors and market trends, and are well positioned to react quickly.

Couche-Tard has developed networks of stores in the geographic areas where the company operates. This allows it to study each market, refine business strategy, and carefully manage the closure of any underperforming store. The company invests significant resources in choosing store locations to maximize visibility and customer traffic, making it more difficult for new competitors to win market share.

The company has put in place a compelling in-store merchandise and service offer, allowing it to generate higher margins than those achieved through the sale of road transportation fuel. Further,

Couche-Tard plans to roll out a prepared food program across the company's network in North America and Europe.

Couche-Tard adopts an agile business structure that sets it apart from competition. The company manages operations and workforce through a decentralized model with support and direction from several key global teams. This allows it to speed up decision-making, to address local demand for specific products and services, and to optimize corporate overhead.

With more than \$54 billion in revenue in 2020 and 40 years of experience operating convenience stores and fueling stations, Couche-Tard's size and scale have enabled it to develop operational efficiencies that provide the company with a competitive advantage, particularly for merchandising and procurement. The company continues to modernize stores and tailor merchandising strategies to address the needs and the demands of customers.

Further, Couche-Tard uses robotic process automation and artificial intelligence in stores and the back office to reduce costs and operate more efficiently. The company is investing in data analytics capabilities to improve Couche-Tard's understanding of customer behaviour, predict demand, and optimize pricing, assortment and product placement to increase traffic.

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