



## The Case for Why Couche-Tard Could Take Off in 2021

### Description

We're all commuting a heck of a lot less than we used to. Many companies have instated semi-permanent work-from-home measures as a result of the pandemic. As we come out of this pandemic, questions remain about just how quickly we'll go back to our commuting ways.

I think eventually, the world will return toward normal. That said, it's hard to deny that some structural damage will be done to the commuting traffic driving sales of convenience stores and gas stations.

In this space, **Alimentation Couche-Tard** (TSX:ATD.B) is one of the biggest players globally. The company's built a global empire of thousands of gas stations and convenience stores scattered across the world. Accordingly, it's a company with a great [reopening thesis](#).

Here's why I think investors optimistic about the post-pandemic return to normal should look at this stock.

### Time to be bullish on Couche-Tard

No, driving didn't entirely stop during the pandemic. We still have to get around and run errands. Additionally, with flights cancelled, driving across Canada or to the U.S. has become preferable in many instances.

That said, our driving patterns have changed. Gasoline demand continues to be down from pre-pandemic levels, though it is rebounding nicely.

The pandemic has provided a larger headwind for Couche-Tard than many other TSX companies operating in the energy and resources space. Commodities have boomed, and Couche-Tard is being left behind in the rally to a large extent.

However, I think there's room to be optimistic. As vaccine rollouts accelerate domestically and abroad, I think we'll go back to the office eventually. Road trips will once again be "in" and we'll all be gassing up at the pump more often.

Couche-Tard's near-term weakness could be a patient long-term investor's gain. At these levels, the stock looks [really cheap](#).

## Couche-Tard's valuation is dirt cheap

Couche-Tard's failed acquisition of **Carrefour** seems to have startled both investors and analysts. Indeed, this stock is yet to recover from the slump in January 2021 fully. Couche-Tard has traded sideways for some time, and growth investors may feel as though this stock has lost its touch.

I couldn't disagree more.

I think Couche-Tard's failed Carrefour bid signals to the market that the company is looking to make a big, transformative deal happen. That's great for investors. For those who think we're likely to see a lot of growth coming out of this pandemic, picking the beaten-up growth plays like Couche-Tard at these levels is a great idea.

The company currently trades at around 14 times earnings and is a stock I think can provide consistent double-digit total returns over time. Long-term investors shouldn't sleep on this stock with an otherwise sleepy chart. It might wake up soon.

### CATEGORY

1. Dividend Stocks
2. Investing

### POST TAG

1. growth
2. growth stocks
3. investing
4. market
5. Stocks
6. value investing

### TICKERS GLOBAL

1. TSX:ATD (Alimentation Couche-Tard Inc.)

### PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred

5. Quote Media
6. Sharewise
7. Yahoo CA

### Category

1. Dividend Stocks
2. Investing

### Tags

1. growth
2. growth stocks
3. investing
4. market
5. Stocks
6. value investing

### Date

2025/08/14

### Date Created

2021/04/27

### Author

chrismacdonald

default watermark

default watermark