



## 1 Top TSX Stock Trading at Dirt-Cheap Levels Right Now

### Description

The largest independent operator of convenience stores in North America, **Alimentation Couche-Tard** (TSX:ATD.B), has been on my radar for some time now. With an impressive footprint in the domestic market, this company continues to be one of the top growers on the TSX.

Here's why I think investors should consider adding this stock to their watch list immediately. After all, at these [dirt-cheap levels](#), this stock is a screaming buy today. Here's why.

### Impressive growth trajectory bullish for this top TSX stock

Couche-Tard may not look like it, but the company is one of [Canada's best long-term growth plays](#). Over years of acquisitions and organic growth strategies, the company has grown into a global player in the gas station and convenience store business.

While this isn't necessarily an attractive place to be investing right now, Couche-Tard's business model is attractive. The company's portfolio of more than 10,000 locations in North America and 2,700 locations in Europe has been made possible via a string of acquisitions. Additionally, the company's been busy building its footprint in Asia, with more than 400 locations recently added.

For those bullish on the growth Asia Pacific can provide, Couche-Tard is a place to be investing right now. In addition to the geographical diversification this company provides, the company's cash flow growth is top notch.

Over the past 10 years, Couche-Tard has provided investors with a 24% return on equity. Additionally, the company has increased earnings per share by 23% annually.

This kind of growth is very rare, particularly in Couche-Tard's sector. The company's smart procurement strategies allow for decent margins on fuel. These drive convenience store revenues, which carry much higher margins.

Over the long term, as we return to a new normal, Couche-Tard should continue its impressive growth

trajectory. There is always room for more operational efficiency. And in this regard, Couche-Tard has squeezed a lot of juice out of this lemon. The company's continuing efforts to optimize its merchandizing and digital marketing are playing out in terms of profitability for investors. Loyalty programs and other initiatives have gained significant traction in the market today.

Couche-Tard is a long-term growth investor's dream stock, trading at a discount right now.

## Bottom line

Couche-Tard's historical growth trajectory has been achieved via well-timed and well-priced acquisitions. While deal flow has slowed of late, there remains significant potential in further acquisitions down the road.

For right now, this stock looks absurdly cheap, given the company's historical outperformance. For those who expect this performance to continue, Couche-Tard is a stock to consider today. It might not be this cheap forever.

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

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