



2 Reasons to Buy Couche-Tard Stock Right Now

Description

Growth stocks have once again come into focus for investors. Indeed, much of this sentiment shift in recent days has to do with fed commentary around inflation being transitory. It appears the market is taking the view the data suggests we won't see structural inflation take hold from here. Accordingly, investors in companies like **Alimentation Couche-Tard** (TSX:ATD.B) stock may see some benefit from these moves.

Let's take a look at a couple of reasons why investors may want to consider Couche-Tard stock right now.

Analysts' take on Couche-Tard stock

There are a number of analysts that have remained [bullish](#) on Couche-Tard of late.

Indeed, there are good reasons for this. The company's growth trajectory post-pandemic should return to a rapid clip. And investors seeking pandemic rebound plays aren't really looking at Couche-Tard as a solid option right now for whatever reason.

CIBC World Market's Mark Petrie recently noted his bullishness in his analyst note on Couche-Tard stock. Petrie noted Couche-Tard's fundamentals and its overall business model remain strong. Increasing fuel margins alongside improvement in U.S. miles driven ought to provide a nice boost for this stock over the medium term. These factors led to an upward EPS revision as well as a target price increase to \$50 per share, up from \$46 previously.

Petrie does note that EBITDA is likely to remain below the company's record highs. Additionally, hiring concerns may hamper growth over the near term. However, the company's expansion plans remain solid, as do its prospects in this regard. Accordingly, there's a very visible pathway to growth with this stock.

Dirt-cheap valuation

One of the things I like most about Couche-Tard is, it's a [value stock](#).

In this market, which is otherwise filled with overhyped and overvalued stocks, Couche-Tard provides a no-frills valuation I like. The company trades at less than 15 times earnings and has seen its cash flow balloon in recent years. While the company has taken a hit due to the pandemic on the earnings front, I expect normalcy will materialize over the medium term. Additionally, the potential for more acquisitions and growth on the horizon makes the company's current valuation multiple very attractive.

Accordingly, Couche-Tard is one of the top value picks investors want to consider today. This company's growth potential highlights Couche-Tard's underlying value. If this company can get back on track sooner than expected, it's a stock that could take off. Indeed, this is a stock to keep on one's watch list, at the very least, right now.

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

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