



Insider Trade Alert! Executive Buys US\$450K in This Canadian Stock

Description

Motley Fool investors shouldn't be fooled. Well, Fooled, yet. But lower case fooled? Never. So when you see a Canadian stock trading at all-time highs, don't run for the hills. It could in fact be a clue that you might want to actually buy more.

That's what's been happening recently over at **Alimentation Couche-Tard** (TSX:ATD.A)(TSX:ATD.B). This Canadian stock continues to trade at all-time highs, but it didn't stop an executive from making one enormous purchase.

The trade

Last week, Chief Technology Office Deborah Hall Lefevre bought 12,000 units of shares in Alimentation. These shares were purchased at a share price of US\$37.58. That brought the total purchase to US\$450,960 for Lefevre.

And her trade wasn't the only major one lately, though definitely the largest. Shares are now trading at all-time highs, though investors may have overlooked this stock in the last year. Shares are up just 7% in the last year alone. But zoom out and you'll see those shares are now at [all-time highs](#), trading up 961% in [the last decade](#). That's a compound annual growth rate (CAGR) of 27% for this Canadian stock!

What can an insider trade tell us?

An insider trade of this magnitude can tell us a few things. Most importantly, it's that there is positivity in this case for the immediate future at least. This can be based on public knowledge, but it can also be based on someone who has non-public, material information about the company's future.

This information could seriously affect the company's future, both positively and negatively. In the case of Alimentation, we see a purchase from the CFO. That could lead one to conclude that there could be a significant financial announcement in this Canadian stock and its immediate future.

While earnings aren't expected for some time, there could be further acquisition news or even just a [post-pandemic boom](#) that these investors are considering.

And that's something Motley Fool investors should consider as well.

What has Alimentation been up to?

Expansion. The Canadian stock may be well known for its Circle K locations, but it's grown far beyond its North American borders. The company has been growing both in Europe and Asia, where emerging markets are putting the convenience and gas retailer in high demand. It continues to see growth in its earnings as well. Retail sales and gas sales have both increased recently year over year, and that's expected to continue with the pandemic slowly coming to an end.

Last week Alimentation also saw some quick growth as it discussed its future growth strategy during an investor day. The Canadian stock is expected to double its EBITDA in 2018, before the pandemic hit, to US\$6.3 billion by the end of 2023. The company stated it continues to work towards this goal. This would come in a combination of both acquisitions and organic growth.

It also plans to add fresh food at its 6,000 North American location, varied fuel payments, electric vehicle charging, and more.

Analysts supported the move by increasing growth targets. The company now boasts a potential upside of 35% in the next year! And that may just be the beginning. If this recent insider trade is any indicator, Motley Fool investors could be buying up this Canadian stock by the bucket in the next year and beyond.

CATEGORY

1. Coronavirus
2. Investing
3. Personal Finance
4. Top TSX Stocks

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. Coronavirus
2. Investing
3. Personal Finance
4. Top TSX Stocks

Date

2025/07/08

Date Created

2021/07/20

Author

alegatewolfe

default watermark

default watermark