



Couche-Tard Stock: A Buy After Russian Exit?

Description

Alimentation Couche-Tard ([TSX:ATD](#)) is a global leader in the convenience store and gas station business. Certainly far from the “sexiest” sectors, Couche-Tard’s business is one that long-term investors have looked to as defensive and stable in nature. Thus, it’s perhaps unsurprising to see Couche-Tard stock go on such a nice run of late.

Currently, Couche-Tard stock is trading near its all-time high. Accordingly, questions remain as to whether this rally can continue, given some recent news around Couche-Tard pulling out of Russia.

Let’s dive into how this decision may shape investors’ view of Couche-Tard stock moving forward.

Alimentation suspends operations in Russia

Alimentation Couche-Tard has had stores in Russia for roughly 30 years. The company has operated under the primary brand Circle K in Russia and has 38 stores situated in Murmansk, Pskov, and St. Petersburg, with over 320 employees.

But recently, this Quebec-based organization stated that it is suspending its operations in this nation with immediate effect. The company’s chief executive condemned the aggression of Russia against Ukraine, including the impact that it’s having on Russians and Ukrainians.

As Couche-Tard winds down its operations, this convenience store retailer is planning to take care of its Russian employees in a safe and responsible manner.

What to make of this move

When almost everyone in Wall Street is talking about Alimentation's exit from Russia, there is something that one cannot simply overlook: Couche-Tard is a top-notch [value play](#). With economic activity resuming after the pandemic, there is indeed much to admire about how this organization is positioned for growth.

It's important to remember that these 38 stores represent a minuscule fraction of Couche-Tard's 14,000 locations globally. This is a strategically unimportant piece of the company's business. Accordingly, many have cheered this move, as it aligns well with most investors' mindsets right now. Positive PR is always a good thing.

Over time, I think investors in Couche-Tard stock are the long-term, conservative types. Accordingly, earnings matter more than anything. And on this front, Couche-Tard stock has really outperformed.

The company brought in net earnings growth of 27% on a year-over-year basis in Q3. This sort of growth, at a time when oil prices were rising and inflation and supply chain issues ran rampant, is impressive. Accordingly, Couche-Tard appears to be a retailer with some pricing power. For those looking for defensive options in this space, Couche-Tard remains a prime option right now.

Bottom line on Couche-Tard stock

Almost every multinational company is being forced to make a decision on their Russian/Ukrainian operations right now. For Couche-Tard stock, I think this decision was a smart one.

Overall, Couche-Tard remains an excellent long-term, buy-and-hold opportunity. In my view, this is one of the best stocks on the TSX.

CATEGORY

1. Dividend Stocks
2. 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. Smart News
8. Yahoo CA

PP NOTIFY USER

1. chrismacdonald
2. kduncombe

Category

1. Dividend Stocks
2. Investing

Date

2025/09/10

Date Created

2022/03/29

Author

chrismacdonald

default watermark

default watermark