



Here's the Next Stock I'm Going To Buy

Description

Over the last few years, I haven't changed my stock portfolio all that much. I've added a few stocks here and there, and shed a few. For the most part, though, I've stuck to what I've held.

This year, that could change. There is one stock I've had my eye on for years that I might finally buy this year. It's a stock that has risen a lot already, but could rise further still. In the past, I gave this stock positive coverage, and I think I made a mistake by not buying it. So without further ado, let's look at the next stock I might possibly buy in 2022.

Alimentation Couche-Tard

Alimentation Couche-Tard Inc ([TSX:ATD](#)) is a company that operates gas stations and retail stores. It makes money by selling gasoline at the pumps, similar to what many [oil and gas companies](#) do. The key difference is, in addition to selling gasoline, it also operates retail stores. Circle K stores are stocked with all kinds of profitable, high margin items, including:

- Soda
- Cigarettes
- Lottery tickets
- Chips
- And more

These items tend to be very popular, and the kinds of things that people tend to buy when they're in a hurry – for example, when gassing up their cars. Gas stations are a proven business model, and they've worked out for ATD, which has grown its earnings by 20% per year over the last 10 years.

Why it's a great stock

Alimentation Couche-Tard is a great stock because the company is run by responsible people. The way the company grew was by buying out gas station chains. It bought out the U.S. gas station chain *Circle K*

in the 2000s, and eventually it expanded the chain all across Canada. It made this acquisition without taking on too much debt. The end result was that the deal grew not only ATD's revenue, but also its profit.

Where does ATD stand today?

One recent news item was the company taking over a car wash chain. That seems like a good acquisition for ATD because it lines up well with what the company already does. ATD can use the acquisition to put car washes on the same lots where its gas stations are, leading to a revenue boost from customers who want to gas up and get a cleaning.

As for earnings:

In its [most recent quarter](#), Alimentation Couche-Tard earned \$0.79 per share, up 21.5% from the prior year quarter's \$0.65. Decent growth, in line with what ATD has been doing over the last decade. ATD also increased its [dividend](#) by 27% recently, something income investors will surely appreciate.

Foolish takeaway

Alimentation Couche-Tard might well be the next stock I add to my portfolio. It's a company I've researched extensively and have found to be a good value. Trading at 16 times earnings and 0.67 times sales, it's certainly not an *expensive* stock. And it has good growth despite being relatively cheap. This looks like a real opportunity for investors who know what they're doing in the markets.

CATEGORY

1. Investing

TICKERS GLOBAL

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

PARTNER-FEEDS

1. Business Insider
2. Flipboard
3. Koyfin
4. Msn
5. Newscred
6. Quote Media
7. Sharewise
8. Smart News
9. Yahoo CA

PP NOTIFY USER

1. andrewbutton
2. cleona

Category

1. Investing

Date

2025/09/01

Date Created

2023/01/12

Author

andrewbutton

default watermark

default watermark