



3 Stocks That Will Grow Out of This Pandemic

Description

The uncertainty that has come along with the COVID-19 pandemic has created quite the quandary for investors. First, one must come to an idea of which companies will survive this environment for some time. Of these companies, one must consider whether such companies that survive will be impacted positively or negatively by this outbreak.

In this article, I'm going to discuss three companies I believe will not only come out of this pandemic but will do so stronger than ever.

Alimentation Couche-Tard

One of the global giants in convenience stores and gas stations, Canadian company **Alimentation Couche-Tard** (TSX:ATD.B) is in an [enviable position](#) right now. This company will almost certainly navigate this crisis and come out unscathed. In addition, Couche-Tard's business model is one that should flourish once we get back to normal. Demand for road trips and driving should be a boon for sales. This very real pent-up demand should lead to a U-shaped recovery.

Additionally, Couche-Tard has grown over the years, acquiring smaller gas station and/or convenience store chains around the world. This strategy is something that will become more attractive, at least in theory, as certain companies face insolvency due to poor balance sheet management pre-crisis.

The company has dropped its multi-billion-dollar bid for gas station operator Caltex Australia, citing COVID uncertainty as the reason. I think this is simply a scenario where Couche-Tard's management team sees better value on the horizon and doesn't want to overpay for assets right now. This is definitely a prudent move.

Brookfield Asset Management

A true Canadian conglomerate, **Brookfield Asset Management** (TSX:BAM.A)([NYSE:BAM](#)) has been a perennial go-to investment for large institutional investors and retail investors alike. This is the parent

company of all the various Brookfield subsidiaries. This company has become a staple for various funds looking at ways to monetize the yield from alternative assets in a meaningful way.

Like most conglomerates, Brookfield grows via acquisitions. Of course, acquiring new companies in times of stress like these can ultimately turn out to be extremely profitable long term. Alternative assets like real estate and infrastructure likely to be significantly impacted in their near term. However, these assets will be otherwise stable over the long run.

Therefore, Brookfield could turn out to be one of the best picks at these levels. For those who are comfortable with the level of leverage in Brookfield's portfolio, and who believe the company still knows how to pick winners, Brookfield is attractive at these prices.

Suncor

Suncor Energy ([TSX:SU](#))([NYSE:SU](#)) is certainly a less-conventional pick to have on a list of companies that could grow out of this pandemic. The degree to which such consolidation can, or should, happen moving forward remains to be seen. That said, Suncor is a larger company with a stable balance sheet, compared to its Canadian peers. These factors are what most analysts point to as the key reason Suncor could benefit from this turmoil via acquisitions.

Suncor's business model is much more vertically integrated than its pure-play producer counterparts. This allows Suncor to survive in a lower-for-longer commodity price scenarios significantly longer than its peers. For opportunistic investors who believe oil prices simply cannot stay this low for much longer, Suncor could turn out to be an incredible pick-up at current levels.

Stay Foolish, my friends.

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