



3 Top TSX Stocks to Buy in August

Description

As we enter the month of August, investors are enjoying a flurry of earnings to reassess which stocks to buy in their portfolios. Of course, finding [great value](#) isn't as easy as it once was. We now live in a world of inflated valuations that makes such a task even more difficult.

However, there are always great opportunities available to investors willing to look. In this article, I'm going to highlight three top stocks I think provide this kind of value readers are looking for.

Let's dive in.

Top stocks to buy: Alimentation Couche-Tard

As far as my list of top stocks to buy goes, **Alimentation Couche-Tard** (TSX:ATD.B)(TSX:ATD.A) is right near the top of the list.

Indeed, this growth-by-acquisition play has been beaten up previously due to a lack of M&A deal flow and an otherwise pessimistic outlook for the company's core gas station and convenience store business. However, this stock has surged in recent weeks amid stronger than expected [earnings](#) and an improved outlook.

It's amazing what a few months can do. Indeed, this is a stock I've been pounding the table on for some time. However, it appears the market has finally begun to agree that the value Couche-Tard provides is simply too much to ignore.

The company's valuation multiple currently sits at 17-times trailing earnings, which is higher than where it's been this year but is still cheap relative to the overall market. I think this is a stock with a tremendous amount of room to run from here. Accordingly, this is one of the top stocks to buy I'll be considering adding on any weakness.

Restaurant Brands

One of the hardest-hit Canadian large caps due to the pandemic, **Restaurant Brands** ([TSX:QSR](#))([NYSE:QSR](#)) remains one of the top stocks to buy today.

Indeed, this company's world-class portfolio of banners is impressive. In the fast-food space, Restaurant Brands competes with the largest and best globally in this space. And historically, Restaurant Brands has posted sector-beating growth consistently, allowing this stock to trade at a premium valuation to its peers.

Such has not been the case of late. Underperformance primarily at the company's Tim Horton's banner is responsible for this. However, it appears the tide is turning on this front. The company's Tim Hortons banner outperformed this latest quarter, as I expected it would. I think much more upside is on the horizon for Restaurant Brands stock, should the company be able to continue along this trajectory.

I think it's just a matter of time.

Spin Master

Perhaps the best growth stock on this list of top stocks to buy is **Spin Master** ([TSX:TOY](#)).

A toymaker is the best growth stock?

Yes, but let me explain. The company's business model has shifted away from being a manufacturer and wholesaler of popular children's games to being a full-fledged children's entertainment juggernaut. The company has rapidly accelerated its growth, focusing on providing digital gaming options to its clientele. This segment is growing at a triple-digit pace and shows no signs of slowing down.

Spin Master's core IP is impressive, as is the company's ability to leverage this IP over time. I think this is the key factor to consider with Spin Master stock. It's a company holding a portfolio of brands that are world-class, and I think undervalued relative to the company's ability to monetize these intangible assets into revenue and earnings.

Spin Master has been truly masterful at doing so. I expect nothing to change over time. Accordingly, this is one of my strongest conviction buys in the growth space today.

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TICKERS GLOBAL

1. NYSE:QSR (Restaurant Brands International Inc.)
2. TSX:ATD (Alimentation Couche-Tard Inc.)
3. TSX:QSR (Restaurant Brands International Inc.)
4. TSX:TOY (Spin Master)

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