



These 3 Top TSX Stocks Won't Be This Cheap Forever: Buy Now

Description

Worried about where valuations are right now? Looking for some cheap growth options, tilted toward defensiveness?

I've got three top picks I think every investor ought to consider right now. Indeed, I think these are the best options for investors looking to combat the frothiness of the market right now.

Restaurant Brands

A top global player in the quick service restaurant (fast food) space, **Restaurant Brands International Inc.** ([TSX:QSR](#))([NYSE:QSR](#)) has been a top pick of mine for a while. Indeed, the growth underpinning this stock in combination with its valuation right now makes it an attractive growth-at-a-reasonable-price pickup today.

This company is trading at a forward price-to-earnings multiple of only 28. I would argue this valuation is relatively cheap considering the long-term growth prospects of Restaurant Brands' international expansion underway. The company is continuing to target new store openings in China and around the world. This growth will compliment same store sales growth numbers I think will take off once the pandemic comes to an end.

Additionally, Restaurant Brands has some of the most impressive margins of its peers, due largely to its business model. Investors are able to lock in stable operating and net margins of 34% and 11%, respectively. I think there's a ton of room for margin expansion on the horizon as well.

Couche-Tard

Another retail-oriented company, **Alimentation Couche-Tard** (TSX:ATD.B) has been one of my top growth-at-a-reasonable-price picks for some time. In fact, I've been pounding the table on this one. I think this company has approached a valuation that's too cheap for investors to ignore.

Indeed, this company has been in the penalty box in recent weeks due to its failed **Carrefour** acquisition bid. Like I've said in the past, [acquisitions is what this company is built for](#). Accordingly, I can't figure out why this company is being penalized for looking to transform its business model in a positive way.

Indeed, I think there's tremendous long-term upside with Couche-Tard at these levels.

Kirkland Lake

A rather contrarian pick, **Kirkland Lake Gold** (TSX:KL)(NYSE:KL) provides investors with a great deal of growth potential for those bullish on precious metals. I think we're currently in the midst of a bull market in gold, and Kirkland Lake remains one of the cheapest ways to play this sector right now.

Gold bull or not, Kirkland Lake has garnered a low valuation multiple relative to its peers of late. I think value investors will start looking for unfairly valued companies like Kirkland Lake across all sectors, given where valuations are today. Therefore, I think this is a safe long-term holding with a great deal of defensiveness and a built-in portfolio hedge for investors concerned about a correction on the horizon.

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1. Dividend Stocks
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TICKERS GLOBAL

1. NYSE:QSR (Restaurant Brands International Inc.)
2. TSX:QSR (Restaurant Brands International Inc.)

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