



Growth Investors: This Stock Has Quietly Soared 15% in Just 3 Months

Description

There's one stock that has slowly been picking up steam over the past few months that you may not have noticed. **A and W Revenue Royalties Income Fund** ([TSX:AW.UN](#)) has risen more than 15% in just the past three months, and more of an ascent could be on the way after the company announced last week that its Beyond Meat burger was so popular that it was out of stock.

New burger gives vegetarians a great option

The burger was introduced last month; it's a veggie burger that aims to mimic the taste of a beef-based patty. While many were skeptical, the results have proven that it's a hit with customers.

It's a big win for health-conscious consumers that want to still be able to indulge in their favourite foods and for vegetarians that want a tastier option. The patty is made of 100% plant-based protein and could be a game changer for the industry. One of the big drawbacks of healthier options has often been that taste has to be compromised, but if A&W has found a solution to that problem, then that could mean big things for the company's sales and its stock price.

The Income Fund saw sales growth of 6% in its last fiscal year, and since 2013 sales have increased by more than 38%. It'll be quite interesting to see the company's next quarterly results, where we can see just how big of an impact the success of the burger has made on the company's top line. If successful, however, we could see other restaurants follow suit, and the advantage that A&W had might slowly fade.

We've seen how challenging it can be for even very popular restaurant chains, like Tim Hortons, to [struggle](#) to find ways to grow; its parent company **Restaurant Brands International** is trying to find ways to inject some life into the store's offerings. Focusing on veggie products might be a way to do just that.

Should you buy the stock today?

The share price for the Income Fund is around its 52-week high, but it's only recently that the stock has seen so much bullish activity, as for most of the year the stock has struggled to find much consistency.

And with the company reporting earnings just weeks ago, there's a lot of time between now and the next report for the price to continue to fluctuate.

While I'd expect a strong performance for the quarter from A&W, investors have to consider that a lot of that success will already be priced in to the stock, meaning there may not be a huge jump in price on earnings day, even if the company has a good quarter. Analysts will factor in the success of the new burger into their projections, and it'll be a matter of how much better A&W performs versus those expectations.

However, if you're planning to hold for the long term, then A&W stock still offers a lot of long-term growth, and its strong and [growing yield](#) of 4.5% will provide returns for you while you wait for the stock to rise in price.

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