Why Restaurant Brands (TSX:QSR) Is Still a Super Growth Stock

Description

Hitting not only a 52-week high but an all-time high of $102, **Restaurant Brands International** (TSX:QSR)(NYSE:QSR) has realized bullish expectations by finally breaking the $100 seal. The stock looks like it could continue on its upward trajectory, with the potential to reward shareholders not only with its fairly decent 2.59% forward dividend yield, but, perhaps more significantly, through high capital gains.

With a Q2 that beat expectations last Friday, Restaurant Brands is firmly back in the saddle, with investors focusing on the growth potential in Asian markets. A quick snapshot of real-world examples of this increasing Asian footprint includes the opening of Tim Hortons's 14th Chinese branch as well as a deal that will see the Canadian mainstay entering the market in Thailand.

Investors have had a lot to digest in the past two weeks

Beyond Meat (NASDAQ:BYND), however, has lost 24.6% in the past week, making it a dangerous stock to continue holding. While the company itself has everything going for it, with the possibility to corner the market with its meatless goods and continue making industry-penetrating partnerships, investors would need a pretty strong stomach to stay in the game.

Meatless products are likely to end up dominating the market, however, as a combination of climate concerns, ethical considerations, agricultural constraints, and a changing global economy force the food and beverages market to reposition itself over the coming years.

In short, while Beyond Meat may have taken a recent dive on the NASDAQ, its drive towards increased production and a big marketing push will likely see it deeper penetrate the market.

Food stocks can be surprisingly volatile

Remember: investors can redirect the momentum of food stocks fast — just look at **Kraft** for a ready-made cautionary tale. While the situation that caused Kraft's sell-off is a long way away from Beyond

Meat's extraordinary position in the market, anything can happen in the world of food investment, and often does.

Beyond Meat, therefore, has the potential to come back stronger in the latter half of the year, while connected companies — such as Restaurant Brands — are also likely to be boosted in the long term.

Meanwhile, there are other reasons beyond Restaurant Brands's espousal of meatless snacks to suggest that the fast-food giant will continue to reward shareholders.

From impressive cash flow and the favourable forecasts for sales growth in both the Burger King and Tim Hortons assets, and now with Popeyes now being pushed into the Chinese market, the outperforming parent company is likely to have a protracted growth spurt over the coming years.

The bottom line

Betting against any of the brands controlled by Restaurant Brands doesn't make a lot of sense in the grand scheme of things. Burger King, Popeyes, and national institution Tim Hortons are as solid as they come, and while upward momentum might not always be strong, the fact is that the Restaurant Brands umbrella can keep investors covered for years to come.

From strong market share to a growing Chinese presence, this could be a downturn-hardy hero.

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