Buy This Defensive Income Stock and Tap a Massive Growth Market

## Description

While talk of recession north of the border has receded for the time being, growth is still an issue, and the global outlook remains somewhat on the grim side. For investors looking to add reduced-risk stocks to their long-range portfolios ahead of a potential downturn, there's at least one consumer staples play that just keeps looking better and better.



The stock we're going to take a look at today is **Restaurant Brands** (TSX:QSR)(NYSE:QSR). For investors who haven't yet checked this stock out, it's perhaps better known for the brands under its parent banner: Tim Hortons, Burger King, and Popeyes.

All three franchises are strongly branded, actively growing, and regularly generate headlines based on the runaway popularity of their product offerings from famous meat-free menu offerings to the runaway popularity of the Popeyes chicken sandwich.

Even if you're not a current investor in fast-food chains or their parent companies, you'll no doubt be familiar with some of the hottest names in the industry. And it's an industry that's proven resilient to even the harshest economic climates, making it ideal for long-term investing.

# Alternative protein is a global megatrend

If you already invest in the green economy, or take an interest in the boom in ethical investing, you may want to consider the exposure to the alternative protein market that Restaurant Brands stock offers to income investors.

The trend in meatless foods is likely to be one of the global growth success stories of the next decade, along with such areas as renewable energy and low-carbon business practices. Indeed, the global alternative protein market could be worth in the region of $18 billion over the next six years.

With its 3% yield, appeal to a wide range of generational cohorts, strong brand visbility, market penetration, and steady growth, Restaurant Brands is a strong buy for a new stock portfolio builtaround recession-proof passive income.

Momentum isn't what investors in Restaurant Brands come to the stock for, and while event-driven peaks and plunges do occur in this space, the stock is a relatively low-volatility play. Of more concern would be the ongoing battle for market share with competitors such as **McDonald's** as well as the potential for a market downturn to push pinched fast-food customers into home cooking.

Restaurant Brands has picked up just under 20% in the last 12 months and currently trades 27.6% higher than its 52-week low. Investors looking for the best possible value before stacking shares in a long-term dividend stock portfolio may want to wait for the current dip to deepen a little; therefore, as the Tim Hortons owner isn't exactly cheap and still trades at more than eight times its book price.

## The bottom line

A strong buy thanks to market share growth potential, Restaurant Brands ticks a lot of boxes. The company may be most famous for its chicken sandwich right now, but as a consumer staples play that taps into a growing trend in meat-free food, this is also a potentially high-growth stock that could beat a recession.



**CATEGORY**

1. Investing

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1. Investing

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