Here's My #1 TSX Stock to Hold for the 2020s Decade

Description

The 2010s was a fantastic decade for a lot of reasons. The fact that it led to the Toronto Stock Exchange Index trading at an all-time high by the end of the 10 years made the decade quite special. Of course, the decade was marred by difficulties and speculation of the economic cycle bringing in another recession.

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Talks about a recession coming on soon riddled 2019, and a recession is likely to happen within this new decade. Despite the TSX Index trading at amazing figures, investors cannot be too careful about their investment holdings.

I am going to discuss a defensive dividend stock that you should consider buying in 2020 and holding throughout the decade to protect your investment portfolio: **Restaurant Brands International** (TSX:QSR)(NYSE:QSR).

Safe investment option for a recession

Few things can hold up well during challenging economic times. People need utilities, gasoline, telecommunications, and, most of all, they need access to affordable food. Restaurant Brands is a company relatively safe from the devastating effects of the economic cycle due to its necessity in the lives of its consumers.

Restaurant Brands is a name built on a stable growth foundation. The fast-food industry offers its customers access to affordable food, which gives it the room to grow, even when other sectors are struggling. Restaurant Brands has a world of opportunities for growth when considering its portfolio, which consists of the world's most desirable brands, with Burger King, Tim Hortons, and Popeyes Louisiana Kitchen.

Other than having three of the most popular fast-food chains, QSR enjoys the capability of double-digit growth without spending too much capital on low return-on-equity expenses. The franchisee and joint-venture partnership business model helps the company counteract some of the risks involved with expansion into new markets.

As a consequence of its low-risk business model, Restaurant Brands continues to grow and presents its shareholders a safe investment option — even during a recession.

Popeyes might be stepping up its game

Of the three significant names under its belt, QSR relies the least on Popeyes Louisiana Kitchen for its overall revenues. A lot of investors barely regard Popeyes's performance in any earnings report for the multinational restaurant company. Tim Hortons and Burger King carry the primary load for Restaurant Brands, but there is a possibility for things turning for the better.

As an investor, you cannot ignore Popeyes's international growth potential. Popeyes's chicken sandwich became very popular in 2019. The demand for its product was so high that the restaurant chain actually experienced a shortage in supply last year. The appetite for chicken is booming, and Popeyes has a product that can cater to the growing need.

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As the international demand for more Popeyes restaurants increases, the possibility for QSR to skyrocket further is closer than it might seem. Moving into new markets presents its set of challenges for Popeyes and QSR, but the company's brand reputation offers a lower degree of risk than other chains out there.

Foolish takeaway

Trading for $83.68 per share at writing, Restaurant Brands gives shareholders a dividend yield of 3.14%. With the rise of Popeyes in the cards, Tim Hortons becoming more prominent, and with the risk of a recession, I think QSR could be a stock worth considering for this decade.

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