



1 Top TSX Stock to Buy and Hold Through 2021

Description

2020 was a dark year for everybody. It was a scary time to be an investor when the markets rolled over earlier in the year. But if you stayed invested despite the unprecedented rise in volatility, you likely did just fine, as the broader markets proceeded to stage a strong recovery in the months that followed those ominous March depths.

With several safe and effective COVID-19 vaccines ready to roll out across the world, many health experts, including the likes of Dr. Anthony Fauci, are optimistic that the coronavirus can be crushed in the new year if all goes according to plan. That said, investors shouldn't expect smooth sailing en route to post-pandemic normalcy.

There's still the potential for negative surprises as investors rush back into "reopening" stocks (or [COVID-19 recovery plays](#)) now that there's more clarity with the vaccine timeline. This piece will have a look at one such play that I believe has far less downside risk if we are due for a vicious retracement in some of November's biggest reopening winners.

Severely undervalued, with room to run in 2021

Without further ado, have a look at **Restaurant Brands International** ([TSX:QSR](#))([NYSE:QSR](#)), the fast-food kingpin behind such names as Burger King, Tim Hortons, and Popeyes Louisiana Kitchen. The quick-serve restaurant juggernaut took a punch to the gut in the first wave, as dining rooms were forced to shutter.

With a less-than-stellar drive-thru, mobile, and delivery platform versus its bigger brothers in the fast-food scene, most notably **McDonald's**, Restaurant Brands ended up losing far more sales during this crisis than it should have, likely to some of its peers that were better built to remain resilient in the face of a pandemic.

Restaurant Brands' management team is committed to playing catch up by investing to "modernize" drive-thrus across its banners. While such efforts are unlikely to allow the firm to recoup sales lost during the pandemic, the firm will be better prepared for the new age of fast-food. You see, even on

the other side of this crisis, the tech-savviest fast-food firms are going to come out on top. Fast-food isn't just about the quality or affordability of the food; it's about the convenience.

Both “fast” and “food” matter

You could argue that Restaurant Brands has been less about the “fast” and more about the “food” versus its peers in the space of late. In the pandemic-plagued world, faster food (via modernized drive-thrus and rapid delivery) has been a major winner. As we march into the post-pandemic environment in 2021, a thriving fast-food firm must be more than competent in both the fast and food fronts.

Fortunately, for Restaurant Brands, it's done an incredible job on the food front, with incredible menu innovations, most notably with Popeyes' legendary chicken sandwich, which was an unprecedented success in the industry. The company hasn't been afraid to take risks with innovative new menu items. While there were flops (think the unconventional new menu items at Tim Hortons that missed the mark with Canadians), I'm sure you'd agree that the potential rewards are well worth the risks.

Foolish takeaway

With Restaurant Brands' commitment to “modernizing” its drive-thrus and investments to further bolster its mobile offerings, the company is well on its way to a fast-food firm that industry competitors will strive to become. Come 2022, when most modernization efforts are complete, Restaurant Brands will have both the “fast” and “food” down, and I suspect shares could realistically make a run past \$150.

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