



Restaurant Brands Stock: The Ultimate Reopening Play

Description

The pandemic has ravaged the stock market over the past year. Yes, many sectors have since recovered nicely. Many stocks are now trading above pre-pandemic levels.

However, some stocks like **Restaurant Brands International** ([TSX:QSR](#))([NYSE:QSR](#)) still have a long ways to go to climb back to pre-pandemic highs. The stock is still down more than 25% from its pre-pandemic highs.

Here's why I think Restaurant Brands could be the ultimate reopening play right now. After all, that's a ton of upside that could be captured if things go back to normal.

Restaurant Brands more economically sensitive than peers

I think fellow Fool contributor Joey Frenette was spot on in a [recent piece](#). He noted, "Moreover, the post-pandemic environment could be more kind to Restaurant Brands versus many of its peers, many of which have mostly (or fully) recovered from the 2020 coronavirus crash. As dining rooms open (for good this time!) and people get back to the daily routine of grabbing their daily double-doubles, I expect QSR stock could make a run for the \$100 mark."

I think this is certainly true. Particularly, in the case of Tim Hortons, Restaurant Brands has been a huge net loser as a result of the pandemic. Mass vaccinations are now spurring hope the economy could open sooner than expected. This is a big deal for Restaurant Brands shareholders.

I think Restaurant Brands's core banners will continue to be hit hard in the near term. Revenue and earnings will likely be down for a few quarters. However, value investors looking for high-quality growth companies at a cheap price can't go wrong with this stock. In my view, it's approaching a level that's too cheap to ignore right now.

Brand value can't be ignored right now

Restaurant Brands's three world-class banners are the real reason to own this stock long term. Investors can't go wrong owning the holding company of Burger King, Tim Hortons, and Popeyes Louisiana Kitchen. Indeed, these companies are built for long-term growth. Opportunities internationally for new store openings, as well as domestic same-store sales growth, remain strong. This goes double in a fully reopened economy.

I agree with Frenette that investors may be discounting the power of Restaurant Brands's core banners to far too great of a degree right now. Indeed, this could be a long-term mistake. Short-term thinking in today's market has provided nice returns. However, over the long run, proven winners like Restaurant Brands will ultimately float to the top.

I'm focused on finding the best companies out there, with durable long-term moats. Restaurant Brands is one such company I think every investor should consider today.

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Date

2025/08/19

Date Created

2021/03/05

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