The Best Stock to Buy Today: Restaurant Brands

Description

Fast-food chains and restaurants found themselves among the fallout from the pandemic. Indeed, this fact surprised me, considering the relative buoyancy fast-food stocks have had in other crises.

That said, the corresponding drop in these companies' stock price make such companies intriguing recovery plays today. Indeed, **Restaurant Brands International** (TSX:QSR)(NYSE:QSR) is on top of the list for many who expect the stock to break above the relatively narrow range this company's traded in for some time later this year.

Here are some of the reasons why I think this stock should definitely be on investors' watch lists today.

Long-term growth outlook remains optimistic

Among the company's key banners, Tim Hortons was a banner that has provided a black mark for this stock for some time. Indeed, the underperformance of Restaurant Brands's largest revenue driver has been noticeable in recent years.

That said, the pandemic has accelerated this banner's underperformance. Pandemic-related restrictions have hit Tim Hortons harder than its quick-service peers. With no one going into the office and grabbing their Double-Double, it's logical to understand why.

However, this unfortunate reality can be viewed positively by investors bullish on a near-term economic reopening. If a stampede back to the office does take place at some point later this year or early next year, Restaurant Brands's immediate outlook looks a lot better. That's to say nothing of the company's continued rollout of its long-term growth plan in key growth markets such as Asia.

Additionally, I think it's important to reiterate the optimism industry experts are portraying today. A recent projection by the National Restaurant Association of double-digit restaurant sales growth in North America in 2021 is very bullish indeed. This report combined with Restaurant Brands's strong fundamentals make this stock very enticing today for growth-oriented investors.

Brand value remains a key moat for Restaurant Brands

It’s important to remember the Restaurant Brands is the conglomerate behind Tim Hortons, Burger King, and Popeyes Louisiana Kitchen. These banners are world renowned with a loyal global customer base. Indeed, these brands form the basis of the company’s durable competitive advantage, or moat.

I think these banners are pivotal with respect to Restaurant Brands’s international growth coming out of this pandemic. The company’s stock price is reflecting this sentiment thus far this year. Indeed, shares of QSR trade roughly 8% higher year to date, and I expect this momentum is likely to continue over the medium term as investors shift their portfolio allocation strategies toward defensive reopening plays.

Restaurant Brands’s management team has done a good job of upgrading its product offerings and revitalizing its infrastructure of late. I think these tweaks combined with a strong international growth strategy position the company well for growth long term.

Of course, the growth picture would look a lot less rosy without the company’s brands underpinning this thesis.

CATEGORY

1. Investing

POST TAG

1. growth
2. growth stocks
3. investing
4. market
5. Retail
6. Stocks

TICKERS GLOBAL

1. NYSE:QSR (Restaurant Brands International Inc.)
2. TSX:QSR (Restaurant Brands International Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Investing

Tags

1. growth
2. growth stocks
3. investing
4. market
5. Retail
6. Stocks

Date
2025/07/03
Date Created
2021/04/05
Author
chrismacdonald