



Post-COVID-19 Value Stocks: 1 Restaurant Company Set to Rise

Description

Recipe Unlimited ([TSX:RECP](#)) is a multi-branded restaurant and catering and food-manufacturing company that franchises and operates [iconic restaurant brands](#). The company owns 25 brands and 1,341 restaurants, 1,290 of which are located in Canada with the remaining 51 located internationally.

Recipe's international operations are not material relative to the company's operations as a whole. The significant majority of Recipe's restaurants are located across Canada. Of Recipe's 1,341 restaurants, 84% are operated by franchisees or as a joint venture, and the remaining 16% are owned and operated corporately. Recipe's restaurant network includes Harvey's, Swiss Chalet, East Side Mario's, Montana's, Original Joe's, and The Keg. Recipe's iconic brands have established Recipe as a [nationally recognized franchisor](#) of choice.

Omni-channel guest experience

Recipe has in-house-developed ordering apps for Swiss Chalet on **Apple**, Android, and on the web. These were followed with order apps and websites for East Side Mario's, Montana's, and Harvey's. Collectively, these represent the top-six-rated restaurant apps in Canada on the Apple app store with higher consumer ratings than all other large chain quick-service restaurant and full-service restaurant operators in Canada.

The company is leveraging this platform to launch new ordering channels, such as kiosk and digital assistants, and has focused efforts on expanding several off-premise options in light of the COVID-19 pandemic and shifting consumer trends to include contactless service, curbside takeout and frictionless takeout. Recipe has also leveraged and developed strategic partnerships with food and delivery aggregators such as **Uber** Eats, Skip the Dishes, and Door Dash in order to grow delivery sales.

Well-respected brands

Recipe has put in place effective national marketing programs and makes strategic marketing investments to drive increased traffic with brand-specific marketing plans combining traditional, digital,

and social channels. Recipe uses a local store marketing portal that provides effective local store marketing tools and best practices to help franchisees and restaurants better connect with guests.

The company is also building on existing partnerships with key media partners and has built partnerships and integrations with strategic digital media partners. These partnership efforts are part of the continued goal of enhancing customer specific marketing and marketing effectiveness.

Leveraging strategic partnerships to drive customer traffic

In 2021, Recipe entered partnerships with SCENE and the Canadian Automobile Association (CAA) to more effectively leverage 16.75 million plus SCENE and CAA member databases and customer data to drive new and repeat purchases from these partners' members. These partnerships will, over time, add significant value to the company's brands without any additional significant investment required by Recipe.

Strategic long-term shareholder

Fairfax Financial is a leading Canadian holding company with an outstanding track record of being a committed partner. Fairfax's corporate objective is to build long-term shareholder value by achieving a high rate of compound growth in book value per share over the long term. Fairfax is viewed by the Canadian restaurant industry as a "must-call" for market participants initiating a restaurant sales process and is therefore well positioned to identify acquisition opportunities.

As restaurants open, Recipe could be a great stock to own.

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