



The 2 Best Stocks to Buy as Canada Reopens

Description

Ontarians had reason to celebrate on Friday, June 11, as the province entered the first step of its reopening plan. It will be at least 21 days before it enters step two, which will see the reopening of indoor spaces and the expansion of outdoor social gatherings. Still, step one will see restaurants able to operate outdoor dining for up to four people per table. This is some good news for an industry that has been hammered during the pandemic. Now, consumers can happily get hammered on the patio all summer long. Even the 2:00 AM last call will be reinstated. Today, I want to look at two of the best stocks to snatch up, as Canada [continues to reopen](#).

Why fast-food restaurants were some of the best stocks in this sector during the pandemic

Fast-food franchises were able to thrive in comparison to their casual dining peers, as they had already established drive-thru and e-commerce alternatives. Still, the reopening will be a welcome change for the fast-food industry. Investors should keep their eyes on one of the best stocks in this space on the TSX: **Restaurant Brands International** ([TSX:QSR](#))([NYSE:QSR](#)).

RBI is a multinational fast-food company that owns and operates the top fast-food chain brands Burger King, Tim Hortons, and Popeyes Louisiana Chicken. Its shares have climbed 9% in 2021 as of mid-afternoon trading on June 11. The stock is up 10% from the prior year.

The company unveiled its first-quarter 2021 results on April 30. It added 148 net new restaurants, which was near a record for the first quarter. Burger King and Popeyes both achieved positive system-wide sales growth in Q1 2021. RBI offers a quarterly dividend of \$0.53 per share. That represents a [3.1% yield](#).

The reopening is great news for this stock in June

Recipe Unlimited ([TSX:RECP](#)) is a Vaughan-based company that operates restaurant chains and

major food distribution for correctional facilities, educational facilities, and large operations. Some of its top franchises include The Keg, Milestones Grill and Bar, Swiss Chalet, and New York Fries. This is one of the best stocks to target in this reopening, as many of these casual dining establishments will rely on patio seating. Shares of Recipe Unlimited have climbed 36% in 2021. The stock has soared 117% from the prior year.

In Q1 2021, the company saw system sales drop 28% year over year to \$537 million. Meanwhile, it achieved e-commerce system sales of \$149 million — up 75% from the first quarter of 2020. Moreover, operating EBITDA increased to \$24.0 million compared to \$20.5 million in the previous year. Cash flow from operating activities increased to \$23.1 million over \$6.5 million in Q1 2020. Basic and diluted earnings per share (EPS) was \$0.23 and \$0.22, respectively, compared to a loss of \$0.73 in last year's first quarter.

Unfortunately, turbulence caused by the pandemic spurred Recipe Unlimited to suspend its dividend last year. Investors will hope for a return of its distributions in the quarters to come. Regardless, I like Recipe Unlimited as one of the best stocks to target as this reopening gets underway.

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