



## Why Restaurant Brands Stock Could Be a Top Performer in 2022

### Description

Among the stocks that I think provide excellent long-term [growth](#) prospects, **Restaurant Brands International** ([TSX:QSR](#))([NYSE:QSR](#)) is right up there. Indeed, Restaurant Brands stock is one that has become more attractive this year rather than less. Compared to the overall market, that's impressive.

Valuations have soared, and stocks are more expensive than they've ever been by certain metrics. Accordingly, finding a high-quality company trading with excellent growth prospects trading at a reasonable valuation is difficult. This is where I think Restaurant Brands stands out from the crowd.

### Growth expectations for Restaurant Brands stock remain high

Restaurant Brands stock got hit once again this past quarter following its earnings results. Investors didn't seem to find much to like in the overall numbers reported. And on top of that, the company has been hit by concerns that inflationary pressures on wages and restaurant costs could cut deep into profits.

Not good.

However, there are also expectations that revenue growth could once again pick up. As the economy reopens (we've still got a ways to go), Restaurant Brands remains a company to keep on the radar. Paradoxically, any downturn in the economy (not related to restaurant closures and restrictions) could be a good thing for Restaurant Brands stock.

That's because this is a company that sells what economists call inferior goods. Lower-cost food options are heavily demanded when hard times hit. Accordingly, for those who think the music's slowing or about to stop, this is a great defensive hedge.

Regardless, I think the next few quarters should be much better for Restaurant Brands. This is a company with excellent growth potential that's simply been stymied by macroeconomic forces. I think there's a great investment thesis with this company right now.

## Bottom line

Despite a relative lack of growth, the recent dip in Restaurant Brands stock has resulted in this company trading at around [24 times earnings](#). For those who have been following this company, that's dirt cheap — at least, compared to historical averages.

Investors need to keep in mind that Restaurant Brands has some of the best banners in this sector in its portfolio. Those who frequent Tim Hortons, Burger King, or Popeye's Louisiana Kitchen are supporting this Canadian company. I don't see the longer-term bear thesis that demand will dissipate holding up.

Indeed, I think Restaurant Brands stock is getting unfairly punished by the market right now. Sure, the outlook may remain dim in the near term. But for those holding this stock with a five- or 10-year time horizon, 2021 and 2022 will show up like a blip on the longer-term trend upward.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

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

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