



## 2 Defensive Dividend Growth Stocks to Buy and Hold Forever

### Description

Dividend growth stocks are among the best types of investments for younger investors who have decades to hold. In this piece, we'll have a closer look at two that are going through an intriguing, albeit bumpy, transition. Consider shares of **Restaurant Brands International** ([TSX:QSR](#))([NYSE:QSR](#)) and **Alimentation Couche-Tard** ([TSX:ATD](#)), two of my favourite Canadian dividend growers with durable, predictable, and growthy businesses.

### Restaurant Brands International

Restaurant Brands is a business that's built for the long haul. The three brands under the QSR umbrella are under a bit of pressure these days. Tim Hortons, Burger King, and Popeye's Louisiana Kitchen are some of the most cherished fast-food firms in the space, but the COVID pandemic, labour woes, and inflationary pressures have made for quite the ugly backdrop.

Undoubtedly, the most underwhelming part of QSR is that it's fallen behind some of its peers in the quick-serve restaurant scene. While management isn't best-in-breed in my opinion, I do think the power of each one of the firm's brands will shine through at the end of the day. For that reason, QSR stock is an enticing buy on the dip, even if we're due for a BA.2 Omicron resurgence that could cause dining room closures in the future.

It's easy to slam Restaurant Brands for its weak performance over the past five years. But billionaire investor Bill Ackman is still a believer. With three great brands (and now a fourth in Firehouse Subs) for one low price, QSR stock is an enticing dividend deal that's too good to pass up.

Arguably, QSR has the most upside once pandemic headwinds fade. Further, the firm's relentless spending on technological initiatives should finally begin to pay dividends. At writing, QSR stock goes for \$73 and change per share, alongside a dividend yield just shy of 3.8%.

The stock is stuck in a rut. And it's unclear how it'll rise out. In any case, I do view fast-food firms like QSR as resilient in the face of [recessions](#). With the yield curve inverting last week, defensive investors ought to give QSR a second look before it has a chance to rally on the back of a rotation back into risk-

off value plays. Of all the fast-food firms today, QSR stock looks to be one of the cheaper in the batch!

## Alimentation Couche-Tard

Couche-Tard is a convenience store operator that could get active on the acquisition front again. It has a considerable amount of cash on the balance sheet, but its takeover attempts have gone quite sour of late. French grocer Carrefour and Caltex Australia flopped, and Couche could face greater resistance from national regulators moving forward if it's looking for an elephant, especially amid COVID.

Undoubtedly, French regulators didn't like the fact that one of its big grocers was being acquired amid a crisis. Could it change its mind in the future? Possibly. In any case, don't expect Couche to chase if the price isn't right. It's all about creating value, not news for the stock price.

Even if Couche doesn't buy an elephant, it could acquire numerous tuck-in plays. Of course, it could use a nice [foundation](#) to break into new geographies. In any case, we'll have to wait and see what the firm does next. At new highs, I still view the c-store kingpin as dirt-cheap. At 17.6 times trailing earnings, ATD stock looks like a bargain hiding in plain sight on the TSX.

### CATEGORY

1. Investing
2. Stocks for Beginners

### TICKERS GLOBAL

1. NYSE:QSR (Restaurant Brands International Inc.)
2. TSX:ATD (Alimentation Couche-Tard Inc.)
3. TSX:QSR (Restaurant Brands International Inc.)

### PARTNER-FEEDS

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

### PP NOTIFY USER

1. jguest
2. joefrenette

### Category

1. Investing
2. Stocks for Beginners

**Date**

2025/08/23

**Date Created**

2022/04/07

**Author**

joefrenette

default watermark

default watermark