



Restaurant Brands Stock Rises After Sales Jump During Q1

Description

Restaurant Brands ([TSX:QSR](#))([NYSE:QSR](#)) shares rose on Tuesday after the parent company of Tim Hortons, Burger King, Firehouse Subs, and Popeyes Louisiana Chicken reported strong earnings during the first quarter.

- Sales increased 14% year over year, up almost US\$1 billion over last year.
- Net income increased to US\$183 million for the first quarter, reporting a profit.
- Revenue came in at US\$1.45 billion, up from US\$1.26 billion year over year.

What happened in Q1 for Restaurant Brands stock?

Restaurant Brands stock reported earnings that amounted to a few surprises for analysts. Sales increased by 15% year over year to US\$1.45 billion for the first quarter. Analysts expected adjusted earnings per share of US\$0.61 on a diluted basis and were surprised with US\$0.64 per share.

Furthermore, revenue came in higher than the anticipated US\$1.39 billion for Restaurant Brands stock. The growth came from gains made by [same-store sales](#) from Tim Hortons and Burger King. These were up 8.4% and 10.3% year over year, respectively. Popeyes fell 3%, with Firehouse Subs up 4.2%.

What management said about Restaurant Brands in Q1

Chief Executive Officer José Cil remained positive, not just from the growth in sales but from the growth in restaurants. Restaurant Brands stock achieved a record first quarter in new restaurant openings and its highest digital engagement from guests. He credited these reasons for why the company was able to return US\$400 million to shareholders in dividends and share repurchases.

“Tim Hortons Canada and Burger King International had standout sales performances, both with double digit comparable sales growth during the first quarter, while Burger King U.S. continued to lay the foundation to return to long term, sustainable growth. In addition, our

strong start to the year in new restaurant openings and the progress we've made in ramping our global development capabilities at Tim Hortons and Popeyes gives us confidence that we are on track to accelerate unit growth in 2022."

José Cil, Restaurant Brands CEO

What's next for Restaurant Brands stock?

The large demand shows that people are returning to their routines of coffee and a bagel in the morning and a burger for lunch at the brands of Restaurant Brands stock. However, these sales are still in recovery mode considering the ongoing supply-chain, labour, COVID-19, and Ukraine crisis affecting prices.

Restaurant Brands stock has already increased prices but is expected to do so again later this year. This could affect share prices down the line; it's already down 13% in the last year as of Monday's market close. Yet investors can now lock in the company's strong dividend at 3.68%.

The company recently boosted the dividend by 1.89% last month. However, should sales continue to remain strong, there could be double-digit dividend growth, as shareholders saw before the pandemic.

Shares in Restaurant Brands stock were up 2% at [market open](#) on Tuesday.

CATEGORY

1. Dividend Stocks
2. Investing

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. Smart News
8. Yahoo CA

PP NOTIFY USER

1. alegatewolf
2. kduncombe

Category

1. Dividend Stocks
2. Investing

Date

2025/08/23

Date Created

2022/05/03

Author

alegatewolfe

default watermark

default watermark