



How to Easily Turn a \$6,000 TFSA Into \$25,000 by 2030

Description

The [Tax-Free Savings Account](#), or TFSA, is a registered Canadian account that can hold a variety of qualified investments. These investments include stocks, bonds, mutual funds, and exchange-traded funds.

Any withdrawals from the TFSA in the form of capital gains, interest, and dividends are exempt from taxes, making it an ideal account to hold a basket of quality dividend-paying stocks. So, investors can generate a steady stream of tax-free dividend income each quarter and benefit from long-term capital gains.

The TFSA contribution limit for 2022 is \$6,000, and one dividend-paying TSX stock that can turn this investment into \$25,000 by the end of the decade is **Restaurant Brands International** ([TSX:QSR](#)).

Let's see why QSR stock should be part of your TFSA portfolio right now.

Is QSR stock a buy or a sell?

Restaurant Brands International is one of the largest quick-service restaurants globally. With more than US\$6 billion in sales in the last year, QSR has a portfolio of more than 29,000 restaurants in over 100 countries. It owns four of the world's most popular brands, such as Tim Hortons, Burger King, Popeyes, and Firehouse Subs.

The company continues to widen its presence in several international markets, allowing it to increase revenue from US\$5.35 billion in 2018 to US\$5.73 billion in 2021. In the second quarter (Q2) of 2022, its sales were up 14% year over year at US\$1.6 billion, while its net income stood at US\$346 million.

Analysts and investors remain optimistic about QSR's expansion plans. For instance, Tim Hortons has 5,300 locations in Canada and is the most well-known coffee brand in the country. Management is now growing the Tim Hortons brand in emerging economies such as China and India, which are also the most populous countries in the world.

Firehouse Subs is the smallest brand for QSR, with just over 1,200 locations, a majority of which are located south of the border. QSR acquired Firehouse Subs in Q4 of 2021 and aims to grow this brand in international markets as well.

The current environment, which is inflationary, should act as a near-term tailwind for QSR, as customers tend to look for low-cost, fast-food products to lower expenses.

Does QSR stock pay investors a dividend?

Restaurant Brands International is valued at a [market cap](#) of US\$26.5 billion. The company went public on the TSX in December 2014 and has since returned 150% to investors in dividend-adjusted gains. Comparatively, the S&P 500 index has gained 118% since QSR's initial public offering.

In the last 12 months, Restaurant Brands International reported a free cash flow of US\$1.32 billion, allowing the company to reinvest in growth and pay investors annual dividends of US\$2.16 per share, translating to a forward yield of 3.64%.

In the last eight years, QSR has increased these payouts at an annual rate of 25%, making it an attractive bet for income-seeking investors. An investment of \$6,000 in QSR stock will allow you to generate \$218 in annual dividends, and this payout should increase at an annual rate of at least 5% each year.

QSR stock is priced at 4.1 times forward sales and 19.8 times forward earnings, which is not too steep. Analysts remain bullish on the company and expect shares to rise by at least 10% in the next year.

QSR's reasonable valuation, tasty dividend yield, and robust expansion plans make it a top stock to own in 2022.

CATEGORY

1. Dividend Stocks
2. Investing

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

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Date

2025/06/28

Date Created

2022/10/31

Author

araghunath

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