



MTY Food Group Stock: How High Could it Go in 2023?

Description

MTY Food Group ([TSX:MTY](#)) is a Montreal-based company that franchises and operates quick-service, fast-casual, and casual dining restaurants in Canada, the United States, and internationally. It owns and operates familiar restaurant brands like O'Burger, KimChi, Mr. Sub, and SushiGo. Today, I want to explore how high this under-the-radar restaurant stock could rise in 2023. Let's jump in.

How has MTY Food Group stock performed over the past year?

Shares of MTY Food Group have [climbed 27% year over year](#) as of close on February 3. The stock has jumped 24% so far in the new year. It is trading just shy of its 52-week high of \$71.23. Investors who want to look closer at its recent performance can play with the interactive price chart below.

Should investors seek exposure to this market in 2023?

The restaurant industry faced enormous challenges during the COVID-19 pandemic that shook Canada and the rest of the world starting in early 2020. Many small businesses operating in this space failed to survive month after month of closures. However, there are restaurants that have proven resilient during the health crisis.

Restaurants have also experienced steady price inflation in this market. The Canada Food Price Report for 2023 predicted that food prices would rise between 5-7% for this year.

Polaris Market Research recently estimated that the global quick service restaurants (QSR) market was worth US\$173 billion in 2021. The market researcher projects that this market will achieve a compound annual growth rate (CAGR) of 4.9% from 2022 through to 2030. That would bring its 2030 revenue to US\$264 billion.

Does the company look strong ahead of its next earnings report?

Investors can expect to see MTY Food Group's fourth-quarter and full-year fiscal 2022 results on February 15, 2023. In the third quarter (Q3) of 2022, the company reported total revenues of \$171 million — up from \$150 million in the third quarter of fiscal 2021. Meanwhile, revenues rose to \$474 million for the first nine months of fiscal 2022 compared to \$405 million for the previous year-to-date period.

EBITDA stands for earnings before interest, taxes, depreciation, and amortization. This measure aims to give a better picture of a company's profitability. MTY Food Group delivered adjusted EBITDA of \$132 million in the first nine months of fiscal 2022 — up from \$125 million in the year-to-date period in fiscal 2021.

On December 8, 2022, the company announced the completion of its acquisition of Wetzel's Pretzels. This chain of fast-food restaurants specializes in pretzels and hot dogs.

MTY Food Group: Should you look to ride the wave right now?

MTY Food Group stock currently possesses a [favourable price-to-earnings ratio of 18](#). This restaurant stock is trading in more attractive value territory compared to most of its industry peers. In early January, the board of directors announced a quarterly dividend of \$0.25 per share. That represents a modest 1.4% yield.

This company is geared up to deliver strong revenue growth going forward. Moreover, it is still trading in attractive value territory, even as it trades near a 52-week high. MTY Food Group still has room to run in 2023.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:MTY (MTY Food Group)

PARTNER-FEEDS

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

9. Yahoo CA

PP NOTIFY USER

1. aocallaghan
2. kduncombe

Category

1. Investing

Date

2025/07/19

Date Created

2023/02/06

Author

aocallaghan

default watermark

default watermark