Shakeup at Restaurant Brands: Are Market-Beating Gains on the Menu?

Description

Restaurant Brands International (TSX:QSR) stock may finally have what it takes to breakout to multi-year highs not seen since 2019. Undoubtedly, the fast-food scene has been a resilient place for investors to fare well through good times and bad.

Over the years, Restaurant Brands has had more than its fair share of fumbles. Cost cuts and backlash from various franchisees have weighed heavily on sentiment. All the while, rivals have gotten the upper hand. In any case, I think these past few years have served as an opportunity for Restaurant Brands to learn from its mistakes.

Restaurant Brands: The ultimate fast-food stock for Canadians

Looking ahead, the Restaurant Brands of new looks way more compelling through the eyes of a long-term investor. The firm behind Burger King, Popeyes Louisiana Kitchen, Tim Hortons, and Firehouse Subs has a lot of growth opportunities on the international front.

Further, the company provides diverse exposure across a wide range of tastes. From burgers to fried chicken, Restaurant Brands truly is a one-stop shop for investors who seek broader exposure to the more defensive parts of the consumer discretionary scene.

It's been a roller-coaster ride for QSR stock. Shares imploded during the 2020 market crash, only to regain most of the ground in just a few months' time. After a partial recovery from the depths of 2020, the stock has been fluctuating, ultimately not making much progress on the recovery front until the midpoint of last year.

The tides could turn for Restaurant Brands in a big way this year

Indeed, 2022 was a bearish year for many portfolios. For QSR, though, it was a year of relief and recovery. 2023 is shaping up to be a year of transformation, as the company makes big changes to upper management. The company is slated to welcome a new chief executive officer (CEO) just months after Patrick Doyle joined Burger King with hopes of reinvigorating the brand in the U.S. market.

Just a few days ago, Restaurant Brands named Joshua Kozba as its new CEO. Kozba is being promoted after spending many years across the firm's different brands. The new top boss, alongside Patrick Doyle, could be the much-needed catalyst to bring Restaurant Brands to the next level.

The company has the brands. It just needs to invest in the right places to gain share across its fast-food sub-industries. In 2023, I'd look for prior modernization bets to pay off, all while Doyle looks to transform Burger King after years of big ups and downs.

The Foolish bottom line for investors

It's time to give Restaurant Brands another look, as it looks to flirt with all-time highs this year. A recession may be on the horizon, but I don't expect it'll stop the firm, as its new CEO takes the reins at the start of March.

Apart from store modernization initiatives, I think menu innovation and improving the digital experience could be key in helping all four brands reach their full potential. At 20.6 times trailing price to earnings, I view QSR stock as one of the best deals in the fast-food scene today. The 3.32% dividend yield is also more generous than that of many of its peers.

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Date
2025/07/19
Date Created
2023/02/17
Author
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