



Restaurant Brands International Inc. Will Continue to Soar in 2017

Description

Restaurant Brands International Inc. ([TSX:QSR](#))([NYSE:QSR](#)) is one of the best growth stocks on the TSX. The incredible management team continues to impress each quarter with new initiatives that will drive expansion as well as long-term efficiencies. There's a reason why Warren Buffett loves the management team, 3G Capital. They are terrific managers that will do everything they can to drive long-term earnings growth and put money back in the pockets of its shareholders.

Many pundits thought the company was risky because of the large amount of debt it took on. Sure, debt is a very important aspect to consider when you're looking for a stock to buy. But 3G Capital is a management team like no other. They are able to find the perfect balance between debt reduction, growth initiatives, and rewarding shareholders. At the rate the company is growing, I believe the debt load is not something to be worried about.

Restaurant Brands is expected to release full-year and fourth-quarter 2016 results Monday. The company also updated its 2016 guidance and expects to see a revenue of \$4.14-4.15 billion versus the original \$4.14 billion consensus and an adjusted EBITDA of \$1.88-1.89 billion versus the original \$1.87 billion consensus. There's no question that the company is about to knock one out of the ballpark when it reports its results next week, and the stock responded by soaring 2.71% during Tuesday's trading session.

The company is firing on all cylinders, and there are no signs that point to a slowdown. Tim Hortons is set to expand in Mexico and the Philippines, which are two markets that have shown promise. The management team will not waste time with a store if it doesn't show promise; it'll simply shut it down and move on. This is why the Burger King international expansion was so successful. I believe the Tim Hortons chain will experience a similar magnitude of success.

The company has also invested in same-store sales growth initiatives like an innovative app that allows customers to make their order without waiting in line. If the company sees an opportunity to increase long-term earnings, then it will be willing to make expenditures. The management team has a very impressive track record, and we can expect new initiatives to be reported on a regular basis, which will drive the stock upward.

I've been bullish on Restaurant Brands since the beginning because the company is one you can buy and hold for decades. Warren Buffett owns a large stake in the company for a reason. I don't normally recommend stocks at their all-time highs, but I believe Restaurant Brands is set to be a long-term outperformer many years down the road.

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