# Restaurant Brands International Inc. May Be the Berkshire Hathaway Inc. of Fast Food

## Description

**Restaurant Brands International Inc.** (TSX:QSR)(NYSE:QSR) just delivered an incredible Q4 2016 earnings report and fiscal 2016 year-end results. The stock is now up about 9% since I recommended it just under a month ago when it was near all-time highs.

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Sure, the stock isn't cheap, but you're paying for a top-tier management team in 3G Capital. They've got the experience and expertise to deliver impressive earnings beats on a consistent basis over the long term. It's truly a stock that you can buy now and forget about for many decades. Although the stock is at a new all-time high at about $70, I don't think it's too late to get a piece of this growth story. The management team knows how to expand, and it knows how to drive same-store sales while doing so.

### Terrific Q4 2016 and fiscal 2016 results

Restaurant Brands International soared 4.48% on Monday as the company released its earnings for the quarter and the full year. The company reported a Q4 EPS of $0.44, which beat analyst expectations by $0.02. Revenue of $1.11 billion was reported, which was a 4.7% increase year over year and beat analyst expectations by $10 million.

For the full-year results, the company reported an adjusted diluted EPS of $1.58, which is up a whopping 45% compared to last year's results. System-wide sales increased 5.2% at Tim Hortons and 7.8% at Burger King on a constant currency basis.

The restaurant count increased 4.5% at Tim Hortons and 4.9% at Burger King year over year. The company is growing fast, and it's doing so very profitably. I believe Monday's rally in the stock was warranted and the stock could be on a sustained rally to even higher levels.

### Hungry for another takeover?

The management team looks to be hungry for another takeover. It's reported that the company approached **Popeyes Louisiana Kitchen Inc.** (NASDAQ:PLKI) about a potential acquisition. The terms and deal price haven't been agreed upon, but the news of the potential acquisition sent Popeyes shares soaring.

Chicken is a huge market that accounts for 10% of the fast-food industry according to IBISWorld. The Popeyes deal would make a lot of sense for Restaurant Brands. There's a ton of room for expansion, and there's no question that there's no better team for the job than 3G Capital. They have the formula for international expansion and same-store sales growth, and any acquisitions are very likely to be huge successes over the long run.

Restaurant Brands could be the **Berkshire Hathaway Inc.** (NYSE:BRK.B)(NYSE:BRK.A) of the fast-food business. There could be many other potential acquisitions down the road, and you can count on the top-notch management team to drive long-term EPS via expansion and same-store sales growth initiatives.

**Takeaway**

Sure, the company seems expensive at $70, but you're paying for one of the best management teams in the world. Warren Buffett once said, "…it's better to buy a wonderful business at a fair price than a fair business at a wonderful price." Restaurant Brands is a wonderful business that will make investors very rich over the long term.

The stock isn't a steal by any means, but I still think there's a lot of long-term upside to be had from current levels. Another 25% rally in 2017 is definitely possible, especially considering the fact that 3G Capital continues to fire on all cylinders.

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