Become a Future TFSA Millionaire With 1 of Canada's Top Brands

Description

Becoming a TFSA millionaire may seem like a far-fetched goal, but if you're a young investor who has been making regular contributions and smart investment decisions, then, through the power of compounding, there's a very good chance that you could end up with $1 million in your TFSA over the next few decades.

Here's one stock that can help you reach your TFSA goals.

Restaurant Brands International Inc. (TSX:QSR)(NYSE:QSR) is the parent company behind international growth success story Burger King, Popeyes Louisiana Kitchen, and, arguably, Canada's number one brand, Tim Hortons. The company is run by legendary management team 3G Capital, and they've got very ambitious expansion plans for Restaurant Brands.

Many investors have avoided Restaurant Brands because of the huge amount of debt the company has accumulated over the past few years. The debt-to-equity ratio has risen to 5.5 for the last quarter, which is ridiculously high, so it makes sense that investors are a bit freaked out, but here's why I'm not worried in the slightest.

The management team has everything under control. They have many years of proven experience, and they're following the philosophy, "you have to spend money to make money.". Of course, 3G Capital isn't recklessly spending; they're actually relentless cost cutters. There are no executive perks like you'd expect with such a large company. The focus of the management team is to reduce operational expenses to increase long-term efficiency. If short-term capital is required to finance an initiative that will lead to a more efficient business down the road, then you can bet they'll make the investment.

Restaurant Brands has been growing its free cash flow at an astounding rate thanks to acquisition synergies and same-store sales growth initiatives. There's much more room to grow with Tim Hortons on an international scale, and the most recent deal to acquire Popeyes Louisiana Kitchen creates countless synergy and expansion opportunities.

Warren Buffett owns preferred shares of Restaurant Brands for a reason. The company has an excellent management team and a really wide moat in its brands. Tim Hortons is practically a staple in Canada, and the management team is introducing it to the far reaches of the globe with the hopes that other countries will appreciate the incredible brand as much as Canadians do.

Shares of Restaurant Brands have dipped 7.5% from its all-time high thanks to the news that Bill Ackman has trimmed his position. I believe this dip creates a fantastic buying opportunity for long-term growth investors, and that Mr. Ackman is making a big mistake by selling one of his biggest winners instead of one of his losers, of which there are many of late.

Sure, there's a lot of debt, but at the rate the company is growing its cash flow, repayment will not be a problem. I'm confident that the management team will find the balance between debt repayment, dividend payouts, and investment initiatives. There may even be room for another acquisition over the next year or so. As the name of the company suggests, many more acquisitions will be made in the coming years. This growth story is just getting started, and who knows how many quality brands will be in the company's portfolio a decade from now.

Bottom line

With a growth name like Restaurant Brands in your TFSA, you're setting yourself up for long-term success. I believe you can buy shares now and hang on to them for decades.

Stay smart. Stay hungry. Stay Foolish.

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

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