



## 1 Stock I'm Thinking About Buying More of in June

### Description

After a choppy start to the year, the stocks of many wonderful businesses are trading at hefty discounts to their intrinsic value. When it comes to TSX-traded stocks, there's no shortage of intriguing opportunities for both short- and long-term investors who seek market-beating results without taking on exorbitant amounts of risk.

I think the best opportunity at this point is the stock of [Restaurant Brands International Inc.](#) ([TSX:QSR](#))([NYSE:QSR](#)), the company behind Burger King, Popeyes Louisiana Kitchen and Tim Hortons.

The major drag on shares has undoubtedly been the Tim Hortons' brand, which has been under attack from all sides for over a year now. In an annual ranking of Canada's most admired companies, Tim Hortons fell from 4 to 50 in the rankings. That's a pretty steep drop and a clear indication that the company's reputation has taken a major hit to the chin.

Although it seems there are a ton of issues with the franchise, the fact is that most of the negative developments making headlines over the past year or so have been the result of the same underlying problem: the unhealthy state of the franchisee-franchisor relationship.

Of course, there are many other negative news stories that have reflected poorly on the Tim Hortons' brand recently, including a [vile incident](#) at a Langley, B.C. location. Although stories like these are just noise and have nothing to do with the underlying business, they still serve to compound the negativity and pessimism that's been directed at both the Tim Hortons' franchise and the stock of Restaurant Brands.

I feel as though sentiment couldn't be worse at this point, especially since many investors appear to be discounting (or ignoring) the potential positive effects of the "Winning Together" plan, which aims to improve the health of the franchisee-franchisor relationship by improving brand communications and franchisee profitability.

"We've made good progress on building a strong and a positive agenda with the restaurant owners," said Restaurant Brands CEO Daniel Schwartz. "The relationships with the owners weren't where they

needed to be but we have been making improvements.”

The “Winning Together” strategy is clearly a work-in-progress that could take many months (or years) to repair just a portion of damage to the brand that’s already been done. It was encouraging to hear that “hundreds” of franchisees are co-operating with renovation plans, however. And I do believe this is a sign that the tides may be about to turn.

Stay hungry. Stay Foolish.

## CATEGORY

1. Dividend Stocks
2. Investing

## TICKERS GLOBAL

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

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