



Why I'm Backing Up the Truck on This Canadian Warren Buffett Stock

Description

It may come as a surprise to you that Warren Buffett still owns **Restaurant Brands International** ([TSX:QSR](#))([NYSE:QSR](#)) after his big \$3 billion payday from his friends over at 3G Capital. He's still a fan of the Brazilian operators as they possess the expertise to grow profits and revenues in a low-risk way like it's nobody else's business.

As the hot restaurant plays extends its reach across the globe while simultaneously driving same-store sales through the roof, I think investors who brush off their personal distaste for the Tim Hortons will be the ones that will rake in the dough in the grander scheme of things. As you may have noticed, the series of unfortunate headlines from Tim Hortons has stopped, and positive developments are making the news again.

Gone are the days of [disgruntled franchisees](#), [feces flinging](#), and other distractions that I believe have distracted the public from the real long-term growth story at hand. Tim Hortons is an important piece of the Restaurant Brands puzzle, and as the company ramps up on its ambitious expansion into China as it pursues same-store sales growth (SSSG) driving initiatives, we could see the brand begin to spread its wings with new president Alex Macedo at the helm.

Macedo has done a reasonably decent job of calming down the numerous frustrated franchisees by taking steps to improve the communication channel between Restaurant Brands' management and individual franchisees. These efforts have been going behind the scenes, and while I'm sure the public is discounting the Restaurant Brands' efforts, they will allow Tim Hortons to reach a bottom. As the public forgets about the disastrous start to the year, the chain will be able to pick up its comps, which have flatlined of late.

How will Tim Hortons pick up its flat comps?

If you've stopped by your local Tim Hortons, you may have noticed that all-day breakfast is now available with offerings that appear to be a direct jab at **McDonald's** in order to offset the fierce competition brought forth by McCafé.

While all-day breakfast isn't the magical solution to bring Tim Hortons' comps out of the gutter, it may

gradually find a spot with Canadians again as they forgive the chain for its prior PR nightmare. A double-double to go with the Tim's equivalent of an Egg McMuffin looks like a perfect combo. Whether it will entice McCafé switchers will be the big question come the next quarter.

With a kid's menu, a loyalty program, and various other SSSG-driving initiatives in the works, one has to think that comps could bounce like a coiled spring. Add the growth potential from the imminent expansion into China, a market that's warmed up to coffee of late, and you've got the formula for a \$100 stock by year-end.

At just \$76 and change with its mouth-watering 3% dividend yield, I've already backed up the truck on this Canadian Buffett stock and would encourage Foolish investors to do the same while shares remain depressed.

Stay hungry. Stay Foolish.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:MCD (McDonald's Corporation)
2. NYSE:QSR (Restaurant Brands International Inc.)
3. TSX:QSR (Restaurant Brands International Inc.)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Dividend Stocks
2. Investing

Date

2025/08/26

Date Created

2018/08/27

Author

joe frenette

default watermark