



## Embrace the Burger: People Will Be Eating at Restaurant Brands International Inc. (TSX:QSR) for Years to Come

### Description

The whole world is trying to get healthier it seems. Over the last while, I've been noticing more people eating burgers without buns to avoid taking in carbs, writing random emails warning about the horrific dangers of not eating organic foods, and avoiding gluten like it's radioactive. In a world like this, it makes you wonder how fast-food chains can survive.

These headwinds are proving challenging for companies like **Restaurant Brands International (TSX:QSR)**([NYSE:QSR](#)). Its restaurants, Burger King, Tim Hortons, and Popeyes, all have their roots deep in the grease vat of history. In the past, people all over the country relished the taste of doughnut, chicken, and burger and other deep-fried morsels, but times have changed.

Unfortunately, it is not just health fads that have been bringing this company down. Cost-cutting measures, while great for profits and debt repayment, have made a number of its many employees unhappy in recent times. The bad feelings have primarily emanated from QSR's Tim Hortons franchises. But all things pass, and the bad news seems to be subsiding somewhat in that regard.

The numbers speak of better times yet to come for this restaurant owner. Its brands are expanding in spite of the spate of bad news. Popeyes, its most recently purchased chain, is expanding abroad, with [stores opening](#) in the Philippines. In fact, Popeyes is experiencing the greatest growth of the three brands overall, adding to QSR's continued profitability. There is the talk of Tim Hortons launching in China, and Burger King already has its own substantial international presence.

System-wide sales growth continues thanks to net restaurant growth of 3%. This restaurant growth contributed to EBITDA growth of 2.7%, although the impact of foreign exchange took that down. Right now, Popeyes is the company's primary growth driver with system-wide sales growth of 10.7%. Hopefully, sales growth in the other brand segments, such as Tim Hortons with its 2.2% growth, will pick up in the future to help drive the company forward.

If you're a dividend investor, QSR has certainly delivered this year. Its dividend was increased substantially, so the company now yields 2.66% at the current price. The large jump in the payout

certainly indicates that the company believes people will be eating more fast food at more locations in the future.

The [biggest concerns](#) regarding the growth of the company, of course, are changing food preferences, disputes with its franchisees, and debt. It is the debt that bothers me the most. Debt kills. It's deadlier to a company, I'd reckon, than a few extra carbs are to your average burger eater. But QSR is heavily focused on paying down its debt quickly, which gives me confidence in its future prospects.

Whatever happened to the good, old days when a burger was a selling point? Once people get sick of chewing on tasteless leaves and slabs of naked beef, or begin to relish the memory of how fantastic ketchup tastes once soaked into a porous bun, I believe people will come back to the burger. QSR will continue to thrive, so hold on tight and enjoy the ride.

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