1 Earnings-Growth King That's Poised to Come Roaring Back in 2019

Description

The excellent stewards (3G Capital) at **Restaurant Brands International** (TSX:QSR)(NYSE:QSR) look to have been shifting gears between Tim Hortons and Burger King over the past year.

Tim Hortons got off to a rough to 2018 start thanks in part to a seemingly never-ending sequence of negative headlines, most of which shed light on the troubled relationship between management and its franchisees. Meanwhile, Burger King was firing on all cylinders, as Tim Hortons struggled to prop up its comps to levels impressive enough to entice investors back to its stock.

The Tim Hortons brand is back on track

Fast forward to today and Restaurant Brands's management has since sent Alex Macedo straight into the trenches to iron out the wrinkles at Tim Hortons; thus far, I'd say he deserves a solid B+, as franchisees aren't nearly as disgruntled as they were about a year ago.

Further, with a kid's menu, all-day breakfast, and intriguing experience-enhancing technologies rolled out, comps have been trending higher, and I suspect Tim Hortons will really begin to spread its wings, as the chain positions itself to become a winner both at home (growing existing store comps) and away (expansion into untapped markets).

Looking ahead, the Tim Hortons brand is ready to roll out (or shall we say roll-up the rim?) into promising markets like the Philippines and China, two promising markets where the chain could be an absolute hit.

No doubt, there's tremendous growth potential should management move forward smoothly with its international expansion as it has with Burger King's global rollout. Bringing the Tim Hortons brand into new markets could yield significant fruit over the long haul for investors who are patient enough to let Restaurant Brands's managers work their magic.

Burger King slips from the throne

Unfortunately, now that Tim's is on the right track, Burger King has appeared to have fallen into a slump. Indeed, the tables have turned as we head into 2019, but should management eventually get both the Tim's and Burger King ball rolling at the same time, I have no doubt that Restaurant Brands stock could pop like a coiled spring.

Foolish takeaway on Restaurant Brands

Nobody said that Restaurant Brands's ambitious fast-food growth story would be without its bumps in the road. Fortunately for those who are patient, there's a fat 3.3% dividend yield to scoop up, as Burger King returns to the right track.

At this juncture, I really like the risk-reward trade-off and would encourage Foolish investors to consider initiating a position in their 2019 TFSA contribution as soon as they're able to do so. The international growth prospects and dirt-cheap valuation, I believe, more than make up for the repairable shortcomings experienced at Burger King.

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