



My Top Pick for 2019 Just Soared 10% in a Day (and it's Just Getting Started)

Description

Sometimes pre-released financial results can be an investor's worst nightmare, as was the case with **Apple** earlier this month, when the management team boldly chose to rip the band-aid off sooner rather than later, possibly to form a bottom after the nasty October-December bear market slump.

In more rare cases, sales figure pre-releases can be an unexpected and belated Christmas gift, as it was for the patient shareholders of **Restaurant Brands International** ([TSX:QSR](#))([NYSE:QSR](#)), when it revealed its incredibly strong comps numbers at Tim Hortons and Burger King — news that sent the stock skyrocketing 9.64% in a single trading session, just weeks before earnings were slated to be released.

Now, I've been aggressively pounding the table of Restaurant Brands stock ad nauseam over the past few months, and just a few weeks ago, I proclaimed Restaurant Brands as my top pick for 2019, noting that "in no reasonable market should the stock be trading at just 13.8 times forward earnings given [its] potential for high double-digit EPS growth numbers."

Indeed, after the recent sharp pop in shares, it definitely appears that [my new year call](#) had impeccable timing. And although Restaurant Brands may seem too hot to handle after its incredible jump, I'd say the rally is just getting started, especially after the promising developments that unfolded alongside Restaurant Brands's early lifting of the curtains on its applaud-worthy comps.

Most notably, Restaurant Brands shook up its management team, [something I'd suggested that Restaurant Brands do](#) in a piece that was published just a week ago.

The company announced that Jose Cil will be its new CEO, with former CEO Daniel Schwartz taking a backseat (if you can call it that), as executive chairman. Josh Kobza, Restaurant Brands's CTO, was promoted to COO, and given Kobza's tech-savvy background, I'd say that's a very promising move considering how huge the role of automation, digital orders, and in-store tech will grow over the next decade for the entire fast-food industry.

To add the cherry on top of the sundae, Restaurant Brands also announced a dividend increase to

\$0.50 per share with an upgraded dividend-growth guidance. And in the background, the rumour mill is spinning once again over a report that Restaurant Brands may be teaming up with Papa John (John Schnatter) to buyout **Papa John's**, a pizza business that has gone south since the controversial Schnatter scandal.

Foolish takeaway on Restaurant Brands

Restaurant Brands is finally getting out of its funk. Tim Hortons and Burger King are both doing the heavy lifting, rather than trading turns for any given quarter. The management shake-up and Papa John's takeover rumours has me even more bullish on the name, so I'd encourage long-term investors to back up the truck today, because I think the stock could easily fly past \$100 by year-end.

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Date

2025/08/27

Date Created

2019/01/26

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