



1 Rumoured Mega-Deal That Could Send This TSX Dividend Stock Skyrocketing Like a Bat Out of Hell!

Description

DealReporter recently released a story which noted that **Papa John's** ([NASDAQ:PZZA](#)) founder John Schnatter might be close to teaming up with 3G Capital for a potential **Restaurant Brands International** ([TSX:QSR](#))([NYSE:QSR](#)) buyout of the troubled pizza chain. In two prior pieces, I called for [Restaurant Brands to acquire Papa John's](#) on the dip, noting that there was enormous value to be unlocked after the stock went into free-fall mode after the whole fiasco that ultimately got Papa John booted off the helm.

Newly appointed CEO Jose Cil was asked by an interviewer at *BNN Bloomberg* several times regarding M&A and the whether or not the company was pursuing Papa John's. Cil was quick to dismiss any talk of M&A and wasn't willing to bite on the topic in spite of the recent buzzing of the rumour mill.

Now, if a deal weren't yet inked, it wouldn't make any sense for Cil to comment on the matter on national television, as it would surrender potential leverage in any deal negotiations which may be going on in the background. Cil noted that his team "looks at M&A as opportunistic," and when it comes to opportunities, it's pretty hard to deny the incredible once-in-a-lifetime opportunity there is to be had with the Papa John's and its unique circumstances.

John Schnatter (Papa John himself) desperately wants to [get back to the helm](#), and if it means serving up a sweetheart deal to a deep-pocketed and opportunistic firm like Restaurant Brands, then so be it. At this juncture, Restaurant Brands appears to have the leverage, and if it can work out a deal to get Papa John's under its portfolio of brands for around US\$2 billion, I think Restaurant Brands is getting an absolute steal that wouldn't be possible under normal circumstances.

A Papa John's acquisition would give Restaurant Brands a front-row seat to the sought-after pizza space, a market that won't overlap with Restaurant Brands's current banners, and should the deal come to fruition, Restaurant Brands could unlock tremendous value over the long term, as it takes steps to repair the tarnished brand. And for Papa John, he'll get control of his company again, possibly as the president of the company with a fresh new team that isn't working against him.

Foolish takeaway on Restaurant Brands and a potential Papa John's deal

As long as Papa John keeps unnecessary commentary to himself, I suspect a Restaurant Brands-Papa John's deal could be a mutually beneficial and a colossal unlocker of long-term value for Restaurant Brands shareholders. A pizza play is the missing piece of the puzzle for Restaurant Brands, and if a sweetheart deal is publicly disseminated, I suspect both the acquirer and the acquiree will surge.

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