



1 Top TSX Stock Warren Buffett Is Likely to Choose in 2021

Description

Looking to invest like Warren Buffett? Want to build your portfolio for long-term market beating returns? This article is for you.

Warren Buffett tends to buy and hold long-term, but he also tinkers with his portfolio from time to time. In the past, one Canadian company he has gotten involved with has been **Restaurant Brands** ([TSX:QSR](#))([NYSE:QSR](#)). I think 2021 is shaping up to be the year he steps back into Restaurant Brands' stock once again.

Restaurant Brands needs another deal

I see heightened potential for another acquisition on the horizon in 2021 for Restaurant Brands. I think the company will be looking to flip the script from poor growth from its Tim Hortons' banner. Indeed, having a fourth (or even fifth) banner to point to for growth potential could get the market excited in this stock once again. This is a stock that has traded in a pretty defined range of late and has yet to break out. I think the only way this will happen is if Restaurant Brands' management team steps up to the plate and swings big.

Of course, in order to do this, we're talking mega-financing. In the past, Warren Buffett has stepped up to the plate along with 3G capital to make deals happen for QSR. Given the size of the deal that would need to be done in order for it to be material, I think we could see some similar financing arrangement set up. I think if negotiations are underway, Warren Buffett is likely to be the first call Restaurant Brands' management team makes.

What kind of company could Restaurant Brands target next?

Fellow Fool contributor Joey Frenette has touched on why Restaurant Brands [should have bought Papa John's](#) in a recent piece. He wrote, "A pizza chain is arguably the missing piece of the puzzle for Restaurant Brands. There's burgers, fried chicken, coffee and doughnuts (and now poutine!) Pizza would complement these other fast-food items perfectly and allow Restaurant Brands to expand

without cannibalizing itself.”

This was certainly an interesting pick, and I like Frenette’s logic here. Diversifying into the pizza business would make Restaurant Brands a well-rounded gem in the quick service restaurant business. Indeed, there are a number of choices in the pizza space, and Restaurant Brands likely has already done a lot of homework already.

Whether or not a deal does come to the forefront this year remains to be seen. However, Restaurant Brands is one of the most likely companies Warren Buffett will step into in 2021, especially if a deal materializes.

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TICKERS GLOBAL

1. NYSE:QSR (Restaurant Brands International Inc.)
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