



Warren Buffett Likes this Canadian Stock — and You Should Too

Description

Warren Buffett is one of the greatest investors of all time. When the Oracle of Omaha steps into a position on any company, it's a big deal.

In the case of **Restaurant Brands International** ([TSX:QSR](#)) ([NYSE:QSR](#)), Warren Buffett had more indirect contact with this company. Buffett helped finance the initial combination of Tim Hortons and Burger King. He's been supportive of the more recent Popeyes Louisiana Kitchen deal.

I think Warren Buffett still has Restaurant Brands on his watch list. At least, Restaurant Brands still has Warren Buffett's number in their rolodex. In either case, if another deal is indeed on the table, I think Buffett could once again step into this top **TSX** stock.

Why Restaurant Brands needs a deal

I think Restaurant Brands shareholders are simply getting tired of this stock.

The company hasn't really done much in recent years to address specific concerns. There was the franchisee debacle that was brushed off by the management team. This was followed by a global pandemic that shut down many of its locations and hurt revenue in a significant manner. These reductions were, by most measures, worse than its peers. In particular, Tim Hortons has continued to underperform.

Restaurant Brands' answer? Update drive-thru menu boards and do some menu tweaking.

I don't know if long-term investors like the direction this company is heading. That said, this has been one of the best performing stocks on the TSX over a long-term horizon.

Growth can materialize — and likely will

I do think Restaurant Brands has a tremendous [long-term growth](#) trajectory. In countries like China, the

company is planning on continuing to open new locations at a rapid rate. The recent Popeyes' acquisition could provide a tremendous amount of growth in this regard.

I do think there are issues with the Tim Hortons' banner that need to be addressed. However, coming out of this pandemic, I think Tim Hortons could rebound much better than its sister banners. Indeed, Tim Hortons has been the hardest hit of the three banners, and would see the most upside from a reopening of the economy. Same store sales should (and likely will) rise once again.

The question right now is how long investors will be willing to wait. For patient long-term investors like Buffett, that's a long time. Investors would do well to hold steady with this stock and buy on dips. Indeed, growth might be just around the corner.

CATEGORY

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TICKERS GLOBAL

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

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