



TFSA Investors: Own This Iconic Restaurant Value Stock

Description

Restaurant Brands International ([TSX:QSR](#))([NYSE:QSR](#)) is a Canadian corporation that serves as the [indirect holding company](#) for Tim Hortons, Burger King and Popeyes. The company is one of the world's largest quick service restaurant companies with approximately \$31 billion in system-wide sales and approximately 27,000 restaurants in more than 100 countries.

Resilient business model

Tim Hortons, Burger King and Popeyes brands have similar franchise business models with complementary product platforms. These three iconic brands are managed independently while benefiting from global scale and sharing of best practices. Approximately 100% of total restaurants for each of the company's brands are franchised.

Restaurant Brands' business generates revenue from [franchising revenues](#), consisting primarily of royalties based on a percentage of sales reported by franchise restaurants and franchise fees paid by franchisees. It also earns property revenues from properties it lease or sublease to franchisees. In addition, the company's Tim Hortons' business generates revenue from sales to franchisees related to supply chain operations.

Owners of iconic brands

Tim Hortons (TH) is one of the largest coffee restaurant chains in North America and the largest in Canada as measured by total number of restaurants. The company owns or franchises a total of nearly 5,000 TH restaurants. TH restaurants are quick service restaurants with a menu that includes premium blend coffee, tea, espresso-based hot and cold specialty drinks and fresh baked goods.

Burger King (BK) is the world's second-largest fast food hamburger restaurant chain as measured by total number of restaurants. The company owns or franchises nearly 19,000 BK restaurants in more than 100 countries. BK restaurants are quick-service restaurants that feature flame-grilled hamburgers, chicken and other specialty sandwiches, French fries, soft drinks and other food items.

Popeyes (PLK) is the world's second-largest quick service chicken concept as measured by total number of restaurants. The company owns or franchises nearly 4,000 PLK restaurants. PLK restaurants are quick service restaurants with a unique menu featuring fried chicken, chicken tenders, fried shrimp and other seafood, red beans and rice.

The company has strengthened delivery channels to provide guests convenient access to product offerings. It has utilized technological and other digital initiatives, including loyalty programs, to interact with guests and modernize restaurant operations, all while efficiently managing costs and sharing best practices.

Focus on product development

Development of new products has driven traffic to the company's restaurants by expanding the customer base, allowing the company's restaurants to build brand leadership in food quality and taste.

In addition, each of the company's brands has uniform operating standards and specifications relating to product quality, cleanliness and maintenance of the premises. Each franchisee typically participates in initial and ongoing training programs to learn all aspects of operating a restaurant in accordance with each brand's operating standards.

The company has significant global growth potential and the opportunity to be one of the most efficient franchised restaurant operators in the world. Restaurant Brands has focused on enhancing guest service and experience at the company's restaurants through comprehensive training, improved restaurant operations, re-imagined restaurants and appealing menu options.

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