



Another Acquisition for Restaurant Brands International (TSX:QSR)

Description

Have you invested in **Restaurant Brands International** ([TSX:QSR](#))([NYSE:QSR](#))? Restaurant Brands is the name behind some of the largest fast-food name brands. Those brands currently include Burger King, Tim Hortons, and Popeyes. That list may soon be growing again thanks to another acquisition announced last week.

Another acquisition for Restaurant Brands

The acquisition announced last week by Restaurant Brands was for the U.S.-based sandwich shop, FireHouse Subs. FireHouse currently has stores located in over 45 U.S. States, as well as in Canada and Puerto Rico. In total, the company boasts approximately 1,200 stores across its massive network.

FireHouse is being purchased as part of an all-cash deal valued at US\$1 billion. The deal has immense value and potential for Restaurant Brands and the multi-billion-dollar fast food industry.

In fact, another acquisition may just be what Restaurant Brands needed.

What this means for investors: Now and later

This deal represents Restaurant Brands' fourth brand. Restaurant Brands moving in for another acquisition wasn't entirely unexpected. Many expected Restaurant Brands to start shopping around for a fourth brand months ago.

Now that the deal was announced, there are several things that investors should be excited about.

First, let's look at the brand itself. FireHouse has similar positioning to both Tim Hortons and Popeyes. Specifically, a strong local market of locations and sprinkles of an international presence that is ready to expand further.

This is an area where Restaurant Brands excels, and where investors can expect to see some growth

long-term. Restaurant Brands CEO José Cil echoed this point, stating “We see tremendous potential to accelerate U.S. and international growth at Firehouse Subs with RBI’s development expertise, global franchisee network, and digital capabilities.”

Prospective investors looking for proof of that statement just need to look back at Tim Hortons’ own expansion efforts. Prior to becoming part of RBI, Tim Hortons expansion was limited to border towns in the U.S. There were also a few one-off niche locations around the world, such as the Dublin zoo. Neither of these catered to the uniqueness of each market, nor did they serve as a catalyst for further growth.

Fast-forward to today, and Tim Hortons has a growing network of stores in international markets. That list now includes the U.K., Spain, Mexico, the Philippines, Thailand, and China.

Another area that Restaurant Brands can bring its immense expertise to is cost synergies and digital exposure. Management did a superb job, first with the Tim Hortons and Burger King union, and then later when Popeyes came onboard.

Investors can expect a similar approach with this latest acquisition.

Final thoughts

Most investors expected Restaurant Brands to acquire another brand sooner or later. FireHouse will become that fourth brand, and investors should be excited. FireHouse has immense growth, which coupled with Restaurant Brands’ immense experience, should pay [dividends](#).

Speaking of which, Restaurant Brands’ quarterly dividend is a final reason to consider the stock. Apart from the fact that the dividend may soon see further growth, the 3.62% yield on offer is [very attractive](#).

In my opinion, Restaurant Brands remains a great long-term investment for nearly any portfolio.

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