



Restaurant Brands International (TSX:QSR): a Good Buy After Its Recent Acquisition?

Description

Do you own shares of **Restaurant Brands International**([TSX:QSR](#))([NYSE:QSR](#))? The Canadian fast-food giant owns and operates some of the most significant fast-food brands under its belt. Tim Hortons, Burger King, and Popeyes Louisiana Kitchen might find a fourth brand joining them as Restaurant Brands International announced plans for another acquisition a few weeks ago.

Today, I will discuss the move by the restaurant industry giant and whether it would make Restaurant Brands International an ideal [undervalued stock](#) to consider for your investment portfolio.

A new brand name for Restaurant Brands International

Restaurant Brands International made an announcement in November that it is going to acquire Firehouse Subs, a U.S.-based sandwich shop brand with more than 1,200 locations in the U.S., Puerto Rico, and Canada. Restaurant Brands International is purchasing the brand in an all-cash deal that is valued at an estimated US\$1 billion, effectively allowing QSR to get an excellent bargain.

With the recent downturn for Restaurant Brands International stock, this move could be perfect for making it a deep value stock with [immense upside potential](#).

What does the move mean for investors?

The move from RBI to acquire a fourth brand under its belt was not entirely a surprise for investors. Now that the company has finally announced the acquisition deal, there are several things that you might want to know that could make it a good investment to consider.

Firehouse Subs is a popular brand in the domestic market with several locations in the country and a meager international presence. RBI has excelled in taking brands with a small international presence and expanding it to fuel the brand's growth.

José Cil, CEO of Restaurant Brands International, has said that the company sees a lot of potential to accelerate Firehouse Subs' presence in the U.S. and abroad through RBI's capabilities.

Interested investors already have proof of RBI stock's ability to accomplish that by looking at how it managed to expand Tim Hortons into the U.S. and several other locations worldwide. Before RBI acquired Tim Hortons, the brand's international presence was limited to border towns in the U.S. and a few locations in other parts of the world.

Today, Tim Hortons has several locations that keep growing its presence in international markets. You can find a Tim Hortons location in the U.K., Thailand, China, Mexico, Spain, and even in the Philippines.

Foolish takeaway

Many investors already anticipated Restaurant Brands International to acquire another brand eventually. Firehouse Subs will be the fourth big name under its belt. With the experience and excellent track record, RBI could leverage Firehouse Subs as a crucial element to fuel its growth in the coming years.

Adding another revenue stream through Firehouse Subs could also allow RBI stock to continue delivering shareholder dividends without fail. At writing, Restaurant Brands stock is trading for \$72.96 per share and boasts a forward annual dividend yield of 3.56%. It could be a good [long-term investment](#) for your investment portfolio.

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