

Which Canadian Company Boasts the Best Management? Part 2

Description

On Wednesday I made an attempt to find the 3 companies in Canada with [the best management teams](#). Of course such an exercise is imprecise, because judging management is very subjective. That being said, it is hard to argue against the three selections.

But there are many more great management teams in Canada, and for that reason it would be appropriate to have an honourable mention list. Below are three more companies with outstanding management teams that didn't quite get onto Wednesday's list.

Fairfax Financial Holdings

The past five years have not been particularly kind to **Fairfax Financial Holdings** ([TSX: FFH](#)) CEO Prem Watsa. Book value per share for the company has grown by only 4.0% per year during that stretch, compared to 8.7% for the TSX and 15.4% for the S&P 500. Last year was even worse, with book value per share shrinking by 10% in a year when both markets performed very well.

But Mr. Watsa's performance is better measured by looking over a longer time horizon. Over the past 28 years, since Fairfax's inception, book value per share has grown by 21.3% per year. This beat the S&P 500 by 13.2 percentage points per year and the TSX by 15.6 percentage points. And this is why Mr. Watsa is known as Canada's Warren Buffett.

Canadian Natural Resources

Led by Chairman N. Murray Edwards, **Canadian Natural Resources** ([TSX: CNQ](#))([NYSE: CNQ](#)) has been one of Canadian energy's strongest performers. The key has been very disciplined cost control and capital allocation, which has allowed the company to grow spectacularly. Production has risen from less than 1,000 barrels per day in 1996, to a projected 800,000 barrels per day in 2014. CNRL now also has Canada's largest reserve base.

As a result, shareholders have done extremely well. Over the past 15 years, CNRL shares have returned nearly 19% per year.

First Quantum

Mining is not an area where you'll normally find the best-managed companies. But one stands out from the rest: **First Quantum** ([TSX: FM](#)). Led by Chairman Philip Pascall and President Clive Newall, First Quantum has established itself as one of the best capital allocators and operators in the copper mining industry.

Like Fairfax and CNRL, First Quantum has rewarded its long term shareholders. Over the past 15 years, the shares have returned over 38% per year!

Foolish bottom line

When building a portfolio, it is very important to pick companies with strong management. So these companies, as well as the three [mentioned yesterday](#), would certainly make a good start.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:CNQ (Canadian Natural Resources)
2. TSX:CNQ (Canadian Natural Resources Limited)
3. TSX:FFH (Fairfax Financial Holdings Limited)
4. TSX:FM (First Quantum Minerals Ltd.)

Category

1. Investing

Date

2025/08/21

Date Created

2014/04/17

Author

bensinclair

default watermark

default watermark