



## This Warren Buffett TSX Stock Paid \$4.9 Billion in Dividends in 2019

### Description

Canada's oil major **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)) is going through a semi-rough patch in 2020. The stock is losing by 8.1% so far this year on account of its biggest quarterly loss ever. In Q4 2019, the company was able to post a record \$10.8 billion funds from operations but reported a net loss of \$2.3 billion.

Suncor president and CEO Mark Little attributed the worst-ever quarterly net loss (\$3.4 billion) to a non-cash after-tax assessment. The said assessment relates to lower forecasted heavy oil prices in two of its exploration and production portfolio (Fort Hills and White Rose projects).

### Display of confidence

The market reaction is understandable. But for Suncor investors, the good news is the \$4.9 billion dividends paid out in 2019. The amount, which represents 45% of the company's total funds from operations, includes share repurchases to shareholders.

Based on official dividend records, Suncor has already paid a total of \$7.1 billion in dividends and repurchased \$6.7 billion of shares since 2017. Likewise, the Toronto Stock Exchange (TSX) accepted a notice by Suncor to increase the maximum number of shares it can purchase.

In the recent quarter, Suncor's board of directors approved to increase the company's share-repurchase program from \$2 billion to \$2.5 billion. The approved program demonstrates the confidence in the energy giant's ability to generate cash flow and abide by its commitment to return cash to shareholders.

The repurchase of shares will commence on March 1, 2020. Currently, the stock offers a 4.81% dividend. Also, I doubt if Warren Buffett lost confidence in his [top TSX energy stock](#) after the recent quarterly earnings report. Buffett is a value investor, and he knows what he speaks of regarding Suncor's growth potential.

## The central focus

CEO Little admits that due to Suncor's strong upgrader reliability, it was able to focus on value over volume opportunistically. It allows the company to generate higher-margin production during mandatory production curtailments.

Suncor is advancing projects and investments to incrementally and sustainably grow annual free funds flow. The company is aiming to reduce operating and sustainment costs and make investments in projects that would enhance the value of its existing integrated asset base.

## Social responsibility

Suncor wants the investing public to know about its total commitment to reducing overall greenhouse gas emissions intensity by 30% come 2030. Such a goal is noticeable from the company's investment in low-carbon innovation that can reduce the carbon footprint of Suncor's operations as well as the products for sale.

With this investment approach in renewable energy, management expects to generate significant value through sustainable low-carbon power generation. Likewise, there should be retention of produced carbon credits for utilization in the upstream business.

Also, Suncor is helping transform Canada's energy system, as it fast tracks the completion of its network of fast-charging electric vehicle stations.

## Buy for growth and dividends

I would say that Suncor is [a great buy right here and right now](#), with or without the influence of Warren Buffett. But I can certainly see the reasons why the American billionaire believes that Suncor as a long-term hold.

### CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

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1. NYSE:SU (Suncor Energy Inc.)
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