



Warren Buffett Sold This Canadian Stock: Should You Sell, Too?

Description

It is no secret that the Oracle of Omaha has this innate ability to make market moves that can confuse everybody. We look towards Warren Buffett for his investing decisions, because his immense success serves as a benchmark for every value investor. He gives us a prime example of how you can be successful as an investor if you make the right decisions.

Over his decades-long investing career, Buffett has amassed a fortune. In that time, he has made some logically sound moves. He has also made many decisions that seemed confusing at first but made sense in the long run.

The mysterious moves of the Oracle of Omaha

Consider his stance on airline stocks. Buffett did not invest in airline companies for decades. However, he recently decided to invest in a portfolio of airline stocks and decided he would stick to the investment. A few months later, a pandemic struck and left all the airlines at a standstill. Buffett initially announced he would stick to his investment but [dumped his airline stocks](#) as the pandemic continued.

The latest stock Buffett has ditched

The latest stock to fall victim to Buffett's unpredictable moves is a favourite in the Canadian restaurant business: **Restaurant Brands International** ([TSX:QSR](#))([NYSE:QSR](#)). Buffett did not disclose his reasons, but he exited his entire position in one of the only two Canadian stocks he owns.

The move comes as a surprise to many people, because RBI was on a steady growth projection before the pandemic struck. Burger King, Tim Hortons, and Popeyes Louisiana Kitchen are three of the most prominent names in the fast-food industry. All three companies come under the umbrella of RBI.

Should you consider turning your back on the Canadian restaurant giant as well?

Strong results

I find Buffett's move confusing, because RBI has been on a strong run. Despite the pandemic, RBI reported a strong quarterly performance with \$1.05 billion in sales. The figure translated to \$0.33 in earnings per share when the analysts predicted \$0.29 earnings per share. The company claimed that it was back to 90% of its prior-year system-wide sales by the end of Q2 2020.

93% of Restaurant Brand's locations for the three fast-food chains have reopened worldwide. The company managed to offset the loss of dine-in sales by leveraging its drive-thru, digital, and delivery channels. Digital sales were up 120% in Canada year over year. It seems that RBI investors have nothing but good news moving forward.

Foolish takeaway

While Buffett has yet to say anything about why he has dumped all of his RBI stocks, it comes as a complete surprise. The company remains one of the most encouraging growth stories in the restaurant sector. At writing, the stock is trading for \$72.01 per share. It has already recovered 77% of its share prices after the [March 2020 bottom](#).

The company's healthy balance sheet and 3.84% dividend yield still suggest that it is an excellent buy. I would advise not making any moves for now and seeing how the situation develops before you decide to increase or decrease your position in Restaurant Brands International.

CATEGORY

1. Dividend Stocks
2. Investing

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1. NYSE:QSR (Restaurant Brands International Inc.)
2. TSX:QSR (Restaurant Brands International Inc.)

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