



Wow! Warren Buffett Just Sold Half of His Canadian Stocks

Description

Warren Buffett is famous when it comes to making investment decisions that can send entire companies reeling in turmoil. One of the latest examples of a Buffett investment move sending a stock spiraling is **Delta Airlines**.

When the announcement came that Warren Buffett's **Berkshire Hathaway** dumped a fifth of its stake in the airline, the stock declined by 7% in the next morning. The [airline company](#) took a nosedive, as the move wiped more than US\$1 billion from its market cap. The stock hit its lowest level since 2013.

A Canadian stock

The Oracle of Omaha is famous for investing mostly in U.S. companies. However, Buffett had owned two Canadian companies: **Suncor Energy** and **Restaurant Brands International** ([TSX:QSR](#))([NYSE:QSR](#)). Buffett's latest move saw him sell his entire stake in the latter.

Buffett has not disclosed why, but he exited his entire position in the restaurant giant. The move came out of nowhere, and it took everybody by surprise. RBI was enjoying a strong run before the pandemic struck. The onset of COVID-19 and the ensuing lockdowns stopped its expansion projects for Burger King, Popeyes Louisiana Kitchen, and Tim Hortons.

The prolific growth of the stock and its decent performance despite the pandemic has kept the stock afloat. At writing, RBI has not seen any significant dip in share price after the announcement.

Strong quarter through adversity

Despite the challenging circumstances created by COVID-19, RBI reported \$1.05 billion in sales for its previous quarter. Like most restaurant stocks, RBI took a hit due to its locations for all three fast-food chains closing down worldwide. Still, the stock recovered 90% of its system-wide sales from last year by the end of the second quarter in fiscal 2020.

RBI has reopened most of its restaurant locations since the economy started to open up gradually. The pandemic hit its sales, but RBI managed to offset the lack of dine-in revenue using online sales, drive-thru, and deliveries. The digital sales went up 120% in its second quarter.

While Burger King and Tim Hortons are the two most recognized names under RBI's belt, Popeyes was the real hero. The restaurant chain is becoming a substantial part of RBI's portfolio. The chain's CEO, Jose Cil, addressed shareholders in his open letter.

He told them how the company fared during the lockdown and highlighted the company's commitment to building one of the most loved restaurant brands worldwide. The increase of traffic by 6.9% in March and 2.6% in April reflect the sentiments he expressed in the letter.

Foolish takeaway

At writing, the share price for RBI is \$71.62, and it is offering a decent 3.86% dividend yield to its shareholders. It has recovered more than 76% from its March low. Popeyes continues to boost the company's revenues and is helping RBI towards full recovery. I think it is a stock worth holding onto, despite the recent [Buffett move](#).

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1. Dividend Stocks
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Date

2025/08/23

Date Created

2020/08/31

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