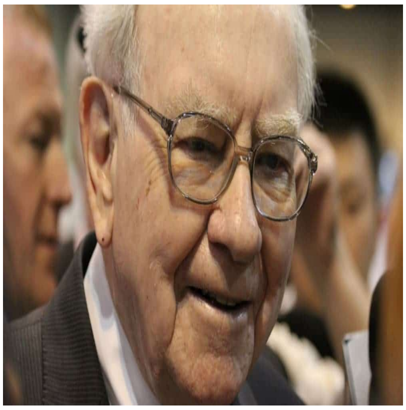

Warren Buffett Made a Huge Mistake Selling This 1 Canadian Stock

Description

Warren Buffett is undoubtedly one of the greatest investors of our time. He will likely go down in history as one of the greatest stock market investors to ever live, considering his lengthy and successful career. However, even the Oracle of Omaha is not perfect.

Even the best in the business have their fair share of mistakes. Many people initially thought that his decision to remain inactive during the February-March market crash was a mistake. However, I feel that it was a wise move due to **Berkshire Hathaway's** exposure to risks brought on by COVID-19.

The unexpected move

I feel that the real mistake that Buffett made was revealed in Berkshire's Q2 13F filing. The filing showed several decisions that the Oracle of Omaha made. One of them was the confusing decision to entirely exit his position in **Restaurant Brands International** (TSX:QSR)(NYSE:QSR).

The fast-food giant suffered greatly with the initial onset of the panic caused by COVID-19. As lockdowns ensued, the restaurant business was forced to shut down its fast-food restaurants worldwide. It owns and operates big names like Burger King, Tim Hortons, and Popeyes Louisiana Kitchen.

The anticipation of another series of lockdowns amid surging COVID-19 cases might have made it seem that he should cut his losses and ditch the company. The move might have been too hasty considering RBI's recent movements.

Restaurants are recovering

Restaurant Brands International is trading for $75.05 per share at writing. It has recovered 84.67%from its March market bottom and is likely to continue growing. The restaurant stock suffered asignificant loss of income due to lockdowns. However, it managed to offset its losses from dine-in salesthrough drive-thru and deliveries.

The underlying brands operating in RBI's umbrella are still strong in their home markets. Tim Hortons was facing a few challenges, but the company is exploring new avenues in international markets to regain better earnings.

Additionally, another series of lockdowns might not create as much trouble for the company. It has already seen the impact of restaurants closing their dine-in sales and managed to generate substantial revenues through other means to offset its losses. The explosive growth of Popeyes helped mitigate its losses further.

Even if another complete lockdown happens, RBI could be well positioned to ride the turbulence and retain a strong position.

Foolish takeaway

RBI's most recent quarterly report might suggest that Buffett's decision to exit the company was well founded. However, the balance sheet for this stock is still strong, its revenue generation is picking up, and it can turn things around.

It is possible that Warren Buffett ditched his RBI stock for reasons that we do not understand yet. Perhaps he does not see RBI as a decent long-term investment compared to most of his other investments.

It is not always necessary to invest like Warren Buffett if you are unsure if he is making the right decision. If you already own shares of the restaurant giant, I would recommend holding onto the stock.

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1. Dividend Stocks
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