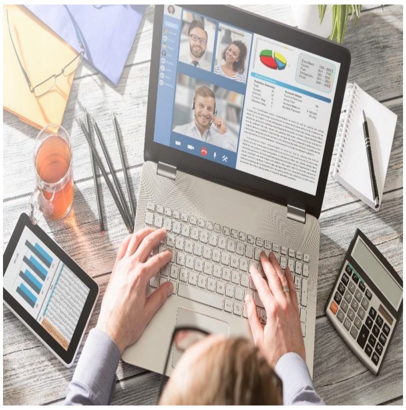

2 Fantastic Dividend Stocks That Survived 2020 Crashes

Description

The coronavirus outbreak triggered a massive market crash in mid-March and several corrections in 2020. COVID-19's impact was so brutal that some dividend-paying companies lost their dividend aristocrat status and slashed or cut their payouts. Investors hoping to receive a steady income stream were disappointed.

However, two names deserve a second look by income investors because they survived the crashes and continue to pay fantastic dividends. **Restaurant Brands International** (TSX:QSR)(NYSE:QSR) and **Polaris Infrastructure** (TSX:PIF) have rebounded from COVID-lows amid the elevated market volatility this year.

Iconic fast-food stock

Warren Buffett's **Berkshire Hathaway** dumped Restaurant Brands International in Q2 2020, but Bill Ackman, CEO of Pershing Square Capital, added more shares of the quick-service restaurant company. The two billionaires have contrasting reasons for selling or buying shares of the fourth-largest fast-food company in the world.

Buffett ditched businesses affected by shutdowns and lockdowns. Conversely, Pershing Square sees durable growth for QSR and a catalyst in the pandemic. Ackman has been successfully investing in restaurants. Buffett missed the comeback, while Ackman's move to keep the iconic Canada brand was a masterful stroke.

From $39.89 on March 18, 2020, Restaurant Brands' shares are trading at $75.93 today or a 90% rally from its COVID-low. The stock is still down year to date, but only by 6%. Analysts forecast to price to climb by 8% to $82 in the next 12 months. Restaurant Brands Restaurant pays a decent 3.62% dividend.

Impressive financial results

Polaris Infrastructure was not spared from the COVID-induced market crash. The share price of the utility stock sunk to $8.30 on March 23, 2020. As of November 27, 2020, the share price is $17.15 or a stunning 107% climb. Current investors are winning by 48% year to date.

If you invest in this $269.36 million renewable energy company today, the dividend yield is 4.72% (quarterly payments), while the payout ratio is less than 50%. Analysts recommend a buy rating for this company that has been around since 1984. The price target is $23.08, or a 35% capital appreciation in the next 12 months.

Polaris Infrastructure operates geothermal and hydroelectric energy projects in Latin America (Nicaragua and Peru). Since Polaris is a utility company that derives revenue for regulated sources, cash flows are predictable and stable. The company reported impressive financial results in the nine months ended September 30, 2020.

Total revenue was $56.2 million versus $53.4 million in the same period in 2019 (+5% increase). Net earnings attributable to the company owners were $4.6 million compared to the net loss of $818,000 compared to last year. Management expects no disruption of operations in subsequent quarters as all plants are fully operational. Polaris Infrastructure can be a valuable addition to your dividend portfolio.

Great buys

The stock market remains volatile until now because of COVID-19’s second wave. Many companies are still recovering from the shocks since March. Three coronavirus vaccines are waiting regulatory clearances for distribution in 2021. However, the world needs 100% immunization of its population to end the pandemic.

Meanwhile, Restaurant Brands International and Polaris Infrastructure are over the hump. The companies have shown resiliency during the health crisis and did not disappoint in 2020. Apart from the fantastic dividends, both are likely to attract more investors because of post-pandemic growth potentials.

CATEGORY

1. Dividend Stocks
2. Investing

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1. NYSE:QSR (Restaurant Brands International Inc.)
2. TSX:PIF (Polaris Renewable Energy)
3. TSX:QSR (Restaurant Brands International Inc.)

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