



Warren Buffett: He Only Has This 1 Canadian Stock Now

Description

Value investor Warren Buffett and his investment firm **Berkshire Hathaway** held [two Canadian stocks](#) towards the end of 2020. However, the GOAT of investing has only one TSX stock left in his portfolio in 2021 following the sale of his entire **Barrick Gold** holdings in the most recent quarter.

Suncor Energy is the lone Canadian entity, although Berkshire reduced its stake in the energy stock by 27.87% during the same period. The exact holding, as of December 31, 2020, is down to 13,649 — 207 shares. Before taking a Barrick Gold position in Q2 2020, Buffett owned shares of **Restaurant Brands International** ([TSX:QSR](#))([NYSE:QSR](#)).

When COVID-19 was declared a global pandemic, Buffett ditched shares of companies likely to suffer from shutdowns and lockdown measures in Q1 2020. Berkshire sold its stake in the iconic Canadian quick-service restaurant operator and airline stocks.

Successful business re-opening

Buffett's [gut feeling](#) was spot on, as the resto stock plunged to as low as \$39.56 on March 18, 2020. However, the legendary investor could have underestimated Restaurant Brands's business resiliency. The fast-food chain stock did better than Suncor Energy in the COVID year.

Restaurant Brands investors lost by only 2.2% in 2020, while Suncor shareholders' loss was 47.7%, not to mention a 55% cut in dividends. The business indeed suffered, but the operator of Burger King, Tim Hortons, and Popeyes did not end up in the red.

Total revenue and net income fell by 11.3% to US\$4.9 billion and 32.5% to US\$750 million. As of year-end 2020, over 96% of Restaurant Brands's store outlets in North America and the Asia Pacific were open. The percentage in Africa, Europe, and the Middle East was approximately 94%.

Winning chicken sandwich

Restaurant Brands's Popeyes holds the crown in the chicken sandwich category. Its version is the most famous fare on the internet and sets a high bar for a quality chicken sandwich. **McDonald's** recently came out with three versions of its chicken sandwich, which could spark a fierce competition with Popeyes.

Popeyes chicken sandwich went viral and boosted sales massively in 2020. Aside from McDonald's, Kentucky Fried Chicken, Taco Bell, and **Wendy's** are joining the bandwagon to dislodge the champion. Popeyes's business segment reported a 17.7% and 15.4% growth in system-wide sales and total revenue.

On February 11, 2021, Popeyes launched its new sandwich menu item. The fast-food chain hopes the Cajun Flounder Sandwich will attain the same viral fame and success of its chicken sandwich. Also, the fish sandwich is Popeyes's latest bid to reset industry standards. Sister company Burger King will also introduce a hand-breaded chicken sandwich later this year.

Restaurant Brands International CEO Jose Cil said Popeyes's chicken sandwich sales tremendously helped boost its bottom line. Management, however, sees a continued impact of COVID-19 on the business. Normal operations haven't returned fully.

Beleaguered choice

Warren Buffett chose to keep Suncor Energy over the iconic quick-service restaurant stock. Perhaps the Oracle of Omaha sees more long-term value of the beleaguered oil sands stock. Meanwhile, Restaurant Brands International shares have risen by 96.7% from their COVID low. Had you invested \$10,000 then, your money would be worth almost double today. For would-be investors, QSR offers a decent 3.47% dividend.

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

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