



Suncor (TSX:SU) Did Something Incredible This Week!

Description

In case you missed it, **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)) just did something incredible. The Calgary-based energy behemoth announced this week an operating profit of \$1.043 billion during the third fiscal. Yes, that's billion with a "B." As impressive as that sounds, what the company did following that earnings announcement went one step further.

More on those results

The juicy profit that Suncor reported is just the beginning. As a reminder, in the same period last year, the company reported a whopping \$388 million loss. As you can probably figure out, that loss was largely attributed to the pandemic.

Over the past year, Suncor has worked on making itself more efficient to allow the company to return to profitability as quickly as possible. Incredibly, this isn't the first time Suncor has done this: a similar oil-price crunch several years ago also saw Suncor rebound fairly quickly compared to its smaller peers.

Notably, rising oil prices helped boost Suncor's staggering profit higher. Another noteworthy point is production levels. During the most recent quarter, Suncor saw production come in at 698,000 barrels per day, surpassing the 616,200 barrels per day reported in the same period last year.

In short, Suncor saw a perfect storm of improved efficiency, rising prices, strong demand, and higher production, all of which led to stronger results.

What's next? Something incredible?

Following the quarterly announcement, Suncor made waves with investors by announcing a dividend increase and share buyback.

Specifically, Suncor announced a whopping 100% increase to its dividend, restoring it to pre-pandemic

levels. To put it another way, Suncor's yield will top just over 5% given the current stock price, making it a [superb pick for income-seeking investors](#).

Finally, we have the share buyback. Suncor also announced that it's planning to buy back more shares than previously suggested. Suncor noted that the buyback could constitute as much as 7% of the company.

Should you buy?

The strong results and dividend hike is just the latest string of good news surrounding Suncor. The company has already seen its stock surge this year, climbing nearly 50% in 2021. Further to this, Suncor CEO Mark Little provided a great summary for prospective investors on how Suncor has fared in 2021, noting, "We have returned \$2.6 billion to our shareholders through share repurchases and dividends and have reduced net debt by \$3.1 billion."

Again, that *is* something incredible.

If there was any remaining doubt for prospective investors, let me provide a final summary. Suncor just had a record quarter, slashed over \$3 billion in debt this year, is buying back as much as 7% of company shares, and just doubled its dividend.

If Suncor isn't already part of your [well-diversified portfolio](#), it's time you add it.

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