



2 Fantastic TSX Income Stocks to Buy in 2022

Description

Two fantastic TSX [income stocks](#) to buy in 2022 are **Restaurant Brands International** ([TSX:QSR](#))([NYSE:QSR](#)) and **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)). Both were Warren Buffett holdings until he dumped them during the pandemic.

The GOAT of investing had reservations about the businesses' resilience during the health crisis. He lost his appetite for RSI thinking the shutdowns would cripple sales of quick-service restaurants. It was reported the decision to sell Suncor was due to environmental concerns, not the oil slump.

Nonetheless, the franchisor of three global brands (Burger King, Tim Hortons, and Popeyes) and the oil bellwether made [remarkable comebacks](#) from the carnage in 2020. Both companies have adjusted quite well to the challenging environment, so the dividends should be safe.

Highly efficient business model

RBI's CEO, José Cil, wants to highlight its efficient business model across three brands and in over 100 countries. In Q3 2021, global system-wide sales increased 11% versus Q3 2020. Notably, the unit growth and pipeline after three quarters should bring the operations to pre-pandemic levels in 2021 then accelerate further in 2022.

Cil said, "Our highly efficient business model once again generated strong free cash flow, enabling us to continue investing in our business while also enhancing shareholder returns through both our dividend and recently expanded \$1 billion share repurchase program."

The \$20.35 billion company paid over \$425 million in dividends to shareholders. It also repurchased \$180 million of common stock to show management's confidence in the long-term outlook and the intrinsic value of its scalable business. Expect Tim Hortons to gain traction, as it partners with 20-million-member food retailer Metro China.

Burger King should have a stronger position once it streamlines its drive-thru menu. RBI's expansion is likewise ongoing through strategic acquisitions. It recently bought sandwich chain Firehouse Subs.

QSR's current share price is \$77.28, while the dividend yield is 3.64%. Based on analysts' 12-month average forecast, the price could appreciate 25.61% to \$97.07.

Cash-rich oil sands producer

Suncor Energy is back on [income investors' radars](#) following the 100% increase of its quarterly dividend subsequent to Q3 2021. The dividend yield of 5.34% is the same as in the pre-pandemic level. The energy stock wants to make for the 55% dividend cut in Q1 2020.

The \$45.62 billion integrated energy company is cash rich as the year winds down. It generated \$2.641 billion funds from operations in Q3 2021, a 126.5% growth from Q3 2020. In the nine months ended September 30, 2021, net earnings were \$2.56 billion compared to the \$4.15 billion net loss in the same quarter last year.

Mark Little, Suncor's president and CEO, said, "Since the start of 2021, we have returned \$2.6 billion to our shareholders through share repurchases and dividends and have reduced net debt by \$3.1 billion." The moves demonstrate significant progress towards fortifying the balance sheet and meeting capital-allocation targets for the year, according to Little.

On the operations side, Suncor achieved 99% utilization at its refineries, a glaring outperformance versus the Canadian refining average. Return-wise, the energy stock will likely end 2021 with over 50% gain. The share price is \$31.64 if you invest today.

Endured the turbulence

RBI and Suncor Energy impressed investors who stuck with them during the turbulent times and did not follow Buffett's lead.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:QSR (Restaurant Brands International Inc.)
2. NYSE:SU (Suncor Energy Inc.)
3. TSX:QSR (Restaurant Brands International Inc.)
4. TSX:SU (Suncor Energy Inc.)

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Date

2025/08/18

Date Created

2021/12/31

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