



## CNR Stock Climbs After 12.4% Earnings Surprise

### Description

**Canadian National Railway** ([TSX:CNR](#))([NYSE:CNI](#)) began climbing on Wednesday after the company reported its latest quarterly and full-year earnings. The news also brought the end to a feud between CNR stock and **TCI Management**.

- Earnings beat estimates by 12.4% at \$1.36 earnings per share, while revenue also beat estimates by 2.04% for the quarter.
- CNR stock also boosted its dividend by \$0.19 per share per year.
- CNR stock ended its feud with TCI Management, announcing Tracy Robinson as its new president and CEO.

### What happened in FY21 for CNR stock?

After a long, drawn-out drama between CNR stock and TCI Management over a new CEO, plus the botched **Kansas City Southern** deal, it seems we're [potentially](#) at an end. CNR announced Tracy Robinson would take over as CEO, and two new independent directors would also be appointed. TCI agreed to no longer seek a special meeting, slotted for Mar. 22, 2022.

Robinson will be moving from her former position at **TC Energy** as of Feb. 28. She'd spent years at **Canadian Pacific Railway**. This announcement came along with news of CNR beating analyst estimates for the quarter. Fourth-quarter profit rose 17% year over year, despite the flooding in BC. Further, net income took up about one-third of revenue, up to \$1.2 billion compared to \$1.02 billion the year before.

Along with this, the company announced an increase of \$0.19 to its 2022 [dividend](#). This brings the annual dividend to \$2.67 for the year. Further, CNR stock also announced it received approval to repurchase shares for cancellation. Over the next year, the company will buy up to 42 million common shares.

Shares of CNR stock climbed about 3% overnight from the news.

## What did CNR management say?

It wasn't just the management from CNR stock investors wanted to hear from. TCI Management also weighed in on the news. TCI founder and portfolio manager Chris Hohn weighed in on the news, stating he was "pleased" with the choice in CEO, along with the new directors.

As for CNR stock's chair of the board of directors, Robert Pace stated he too was pleased — not just with the choice, but that they could now move forward.

"We are pleased to have appointed a world-class CEO to lead CN during our next phase of growth and announced that we are continuing to add more highly qualified independent directors to our board," said Pace. "We have appreciated the input we have received from our shareholders throughout this process and are very excited about all that CN can achieve as we build the railway of the future."

## What's next for CNR stock?

While CNR stock outperformed this quarter, many analysts weighed in before earnings to state they still like CP stock over this company. And it doesn't just come down to the drama. Investors should continue to pay attention to the future quarters of CNR stock — especially given the outlook for the entire industry could be affected by winter weather and summer wildfires once more.

What it comes down to is whether CNR stock can continue to pull off these earnings-estimate-beating results — especially under the guidance of a new CEO. Today's news was good news from the company. And that's something CNR investors haven't had in quite some time.

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