



Fill Up on 5 Dividend-Paying Comfort Food Stocks

Description

Will you be taking your kids out tonight for a hearty tofu meal or to the newest restaurant inspired by hummus creations? Or will you be taking them to that diner or fast food shop serving up food you grew up with? My bet is on the second category. Despite marketplace challenges to grow sales, these five businesses will still add food to the tummy and dollars to your bank account.

1. McDonald's

You cannot get much more comfort food than burgers, fries, and soft drinks. **McDonald's** ([NYSE: MCD](#)) and other fast-food companies have detractors. Typically, these are not the income seekers who invest in them. Neither are they companies that associate with McDonald's. Consider that **Coca-Cola** has an entire division specifically focused on this fast-food behemoth.

In 2013, McDonald's average number of customers served per day was 70 million. It declared an \$0.81 per share quarterly dividend this past January, and pays shareholders \$3.24 per share each year in dividends. McDonald's has increased its dividend 18 times since it paid the initial one in 1976.

2. Tim Hortons

Stopping into a **Tim Hortons** (TSX: THI)(NYSE: THI) at any time of the day for a French Cruller and a hot coffee is comfort food at its easiest. This month, the company is celebrating its 50th birthday. Every year Tim Hortons serves 2 billion cups of coffee. For 2013, it produced positive same-store sales growth in the Canadian and American markets for the 22nd and 23rd successive year, respectively.

In the **S&P/TSX 60**, Tim Hortons is one of the top 10 large-cap dividend growth stocks. This month, Tim Hortons announced that its board declared a dividend of \$0.32 per common share.

3. Pizza Pizza

Pizza Pizza ([TSX: PZA](#)) is a household name in Ontario for its plethora of Quick Service Restaurants across the province. For Q1 2014, its royalty pool of restaurants grew by 28. System sales for Q1 from the 722 restaurants in the royalty pool grew 2.8% to \$124.4 million versus \$121.1 million in the Q1

2013 quarter.

In January 2014, Pizza Pizza increased the monthly dividend by 2.6% to \$0.0667 per share. Its monthly dividend was 6.7% higher than the 2013 quarter. On an annualized basis, the dividend was boosted by \$0.02 to \$0.80.

4. MTY Food Group

MTY Food Group ([TSX: MTY](#)) is a franchisor and operator of multiple concepts of quick service restaurants. The company offers comfort food galore in food courts. This includes Panini Pizza Pasta; the Canadian icon “Mr. Sub”, and its extensive submarine sandwich menu; Extreme Pita, Mucho Burrito, and many others. MTY Food, at year-end 2013, had a network of 2,590 stores. Sales in 2013 totaled \$726 million, an historical high for the company.

On September 24, 2013, MTY’s wholly owned subsidiary, MTY Tiki-Ming Enterprises, Inc., acquired the assets of Extreme Pita, PurBlendz and Mucho Burrito (Extreme Brandz) for \$45 million. MTY paid this from cash on hand.

Last month, MTY Food declared a quarterly dividend of 8.5¢ per share.

5. Domino’s Pizza

Earlier this month, **Domino’s Pizza** (NYSE: DPZ) announced that it would open its 11,000th store in the world, in Brantford, Ontario. For Q1 2014, domestic same-store sales increased 4.9% in comparison to the 2013 period, and international division same-store sales increased 7.4% in Q1. This was 81st consecutive quarter of international same-store sales growth. Domino’s revenues increased 8.7% for Q1 2014 in comparison to the year ago Q1.

In 2013, the company acquired a 75% equity interest in the third largest pizza delivery chain in Japan, Domino’s Pizza Japan. This consist of 216 corporate stores and 43 franchise stores.

Recently, the Board of Directors declared a \$0.25 per share quarterly dividend.

Want fries with that?

Despite the many healthful dining option available today, there’s always room for a coffee and doughnut, a big burg or sub sandwich, and good old fashioned pizza. Companies providing these are also providing very tasty returns for shareholders.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:MCD (McDonald's Corporation)
2. TSX:MTY (MTY Food Group)
3. TSX:PZA (Pizza Pizza Royalty Corp.)

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