



Boost Your Portfolio's Yield With 1 of These 2 Pizza Stocks

Description

If you're a fan of pizza, high dividends, and dividend-growth stocks, then this article is a dream come true for you. I scoured the market and found two stocks that are all of the above, so let's take a quick look at each to determine which would be the best fit for your portfolio.

1. Boston Pizza Royalties Income Fund

Boston Pizza Royalties Income Fund ([TSX:BPF.UN](#)) is the company behind Boston Pizza, which is the largest casual dining brand in Canada with more than 370 locations across the country. It currently pays a monthly distribution of \$0.115 per share, or \$1.38 per share annually, which gives its stock a yield of about 7.6% at today's levels.

Investors must also make two notes.

First, Boston Pizza has raised its annual distribution for four consecutive years, and its recent increases, including its 6.2% hike in April 2015 and its 6.2% hike on February 10, has it on pace for 2016 to mark the fifth consecutive year with an increase.

Second, the company has a target payout ratio of close to 100% of its distributable cash, so I think its very strong growth, including its 11% year-over-year growth to \$1.364 per share in fiscal 2015, will allow its streak of annual increases to continue going forward.

2. Pizza Pizza Royalty Corp.

Pizza Pizza Royalty Corp. ([TSX:PZA](#)) is the company behind the Pizza Pizza and Pizza 73 brands, and it is the largest pizza restaurant chain in Canada with more than 700 locations across the country. It currently pays a monthly dividend of \$0.0697 per share, or \$0.8364 per share annually, which gives its stock a yield of about 6.6% at today's levels.

Investors must also make two notes.

First, Pizza Pizza has raised its annual dividend payment for four consecutive years, and its recent

increases, including its 2% hike in April 2015 and its 2.5% hike in November 2015, has it on pace for 2016 to mark the fifth consecutive year with an increase.

Second, the company has a target dividend payout of 100% of its adjusted earnings available for shareholder dividends, so I think its very strong growth, including its 18.8% year-over-year growth to \$15.2 million in the first nine months of fiscal 2015, will allow its streak of annual increases to continue for the next several years.

Which of these pizza stocks would fit best in your portfolio?

Boston Pizza Royalties Income Fund and Pizza Pizza Royalty Corp. are the best investment options in the pizza industry today, so all Foolish investors should strongly consider making one of them a core holding.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:BPF.UN (Boston Pizza Royalties Income Fund)
2. TSX:PZA (Pizza Pizza Royalty Corp.)

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