



## Recent Retail Sales Numbers Are Good News for These 5 Dividend Stocks

### Description

I recently [covered](#) the Statistics Canada report released on October 20 which detailed the decline in retail sales in August. Total retail sales were down 0.3%. However, there were some bright spots in the report, including growth in specialty food sales, clothing retail, and new and used car sales.

Let's look at five dividend stocks that could benefit from the silver lining in this report.

**Boston Pizza Royalties Income Fund** ([TSX:BPF.UN](#)) is a limited purpose open-ended trust that owns Boston Pizza trademarks in Canada. Sales at specialty food stores were up 1.4% in August and 9.9% year over year.

Boston Pizza Royalties released its second-quarter results on August 10. System-wide gross sales were up 1.6% in 2017, and franchise sales from royalty pool restaurants increased 1.5%. The stock has dropped 4.5% in 2017 as of close on October 30. It does, however, boast a dividend of \$0.12 per share with a 6.3% dividend yield.

**AutoCanada Inc.** ([TSX:ACQ](#)) operates franchised automobile dealerships through its subsidiaries across Canada. New and used car dealer sales were up 0.7% and 5.6%, respectively, in the August report. AutoCanada is expected to release its third-quarter results on November 10. In its second-quarter results, the company posted new vehicle unit sales growth of 11%, while used vehicle sales were down 5%.

The stock has increased 2.7% in 2017 and 3.8% year over year. It offers a dividend of \$0.10 per share, representing a 1.7% dividend yield at offering.

**Restaurant Brands International Inc.** ([TSX:QSR](#))([NYSE:QSR](#)) is a quick-service restaurant company which owns and operates Burger King, Tim Hortons, and Popeyes Louisiana Chicken franchises. The ongoing drama at the company regarding its Tim Hortons franchisee rebellion was covered in my [October article](#) on restaurant stocks.

The company released its third-quarter results on October 26. Total revenues jumped to \$1.20 billion from \$1.07 billion in the previous year, and it posted net income of \$91.4 million from \$86.3 million in

Q3 2016. The stock has risen 29.5% in 2017 and 42% year over year. The stock also provides a dividend of \$0.27 per share with a 1.2% dividend yield.

**Gildan Activewear Inc.** ([TSX:GIL](#))([NYSE:GIL](#)) is a Montreal-based apparel manufacturer. Retail sales at clothing stores spiked 1.2% in August and were up 9.2% year over year. This comes as traditional retail stocks are getting hammered following the collapse of Sears Canada Inc.

Gildan Activewear released its second-quarter results on August 3. Net sales were up 4% to \$715 million, and its consolidated gross margin was up 240 basis points to 29.8% compared to last year. The stock has increased 16.7% in 2017 and 15% year over year. The company also offers a dividend of \$0.12 per share with a 1.2% yield.

**Keg Royalties Income Fund** ([TSX:KEG.UN](#)) is an unincorporated open-ended trust that owns and operates the Keg Restaurant Steakhouse + Bar chains. In its second quarter results gross sales for restaurants in the royalty pool were up 6.3% and 5.6% year to date. Royalty income climbed 7.3% to \$5.4 million.

Shares of Keg Royalties have dropped 4.7% in 2017 and 6.4% year over year. The stock offers a highly attractive dividend of \$0.09 per share with a 5.5% dividend yield.

## CATEGORY

1. Investing

## TICKERS GLOBAL

1. NYSE:GIL (Gildan Activewear Inc.)
2. NYSE:QSR (Restaurant Brands International Inc.)
3. TSX:ACQ (AutoCanada Inc.)
4. TSX:BPF.UN (Boston Pizza Royalties Income Fund)
5. TSX:GIL (Gildan Activewear Inc.)
6. TSX:KEG.UN (Keg Royalties Income Fund)
7. TSX:QSR (Restaurant Brands International Inc.)

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