



2 Delicious Dividend Stocks That Pay Up to 7.9%

Description

Investing in restaurants is a good way for investors to buy shares in companies that they're familiar with. And that's not a terribly bad idea, as it allows you to utilize your personal experience to help gauge how the company is doing. Consumers are generally the first to know when a company has rolled out a bad product or if it's struggling, and also when things are going well.

Below are two stocks that involve brands that investors might be very familiar with in their day-to-day lives and that pay some great dividends as well.

Boston Pizza Royalties Income Fund ([TSX:BPF.UN](#)) as its name suggests, benefits from the popularity of Boston Pizza restaurants. As more restaurants are added to the fund, it earns more royalty income, thereby helping to grow the fund's top line. Sales have generally been fairly steady as the fund saw modest growth of just 2% last year and a little less than that the year before.

Similarly, operating income is also pretty predictable as well and can help make the dividend stock an attractive investment for its stability.

Unfortunately, its share price has fallen in the past year, as the stock doesn't normally attract a lot of attention or excitement, trading at volumes averaging around just 50,000 shares. The good news is that with the decline in value, the fund has become not only a better buy, but also offers a higher yield.

One of the main reasons investors love the stock is due to its dividend. Not only are payouts made [monthly](#), but the stock also pays a fairly high dividend as well, yielding around 7.9% today. It can be a great way for investors to add to their income while also building onto their portfolio's long-term value.

At a price-to-book ratio of just 1.4, the fund is an excellent value buy especially in light of its stable growth and strong financials.

Another option for investors is **Recipe Unlimited Corp** ([TSX:RECP](#)). Unlike Boston Pizza Royalties Income Fund, this stock has many different brands in its portfolio that can help drive long-term growth. Names like Harvey's, Swiss Chalet, Milestone's and Montana's are some of the more popular restaurant chains that the company owns.

Acquisitions have helped the company grow over the years and it continues adding to its portfolio with The Keg being the most recent purchase, which was added into the fold back in 2018.

Recipe Unlimited's sales have grown from just \$282 million in 2014 all the way to \$1.2 billion this past year. What's impressive is that even amid all that [growth](#), the company has been able to stay in the black and has even seen its bottom line increase as well. It's not always easy adding and acquiring companies as there are often inefficiencies and redundancies that need to be eliminated along the way.

The stock also offers investors a dividend, but at a yield of 1.7%, it's noticeably smaller than what the Boston Pizza fund offers. However, given its acquisitions, it's easy to see why Recipe Unlimited needs to have more cash on hand. It's also a bit of a more expensive purchase for investors as the stock trades at more than three times its stated book value.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:BPF.UN (Boston Pizza Royalties Income Fund)
2. TSX:RECP (Recipe Unlimited)

PARTNER-FEEDS

1. Msn
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