



This 1 Stock Pays the Ultimate Dividend

Description

For those of you who aren't familiar with **Boston Pizza Royalties** ([TSX:BPF.UN](https://www.bse.com/quote/BSE/BPF.UN)), it is a trust company that manages Boston Pizza locations in Canada.

The parent company of the income fund is Boston Pizza International Inc. ("BPI"). It's Owner and Chairman is Jim Treliving who popularized the franchise with his business partner George Melville.

The company has 348 locations in Canada and 40 locations between the United States and Mexico.

Jim Treliving rose to television prominence as a Dragon on CBC's hit entrepreneurial show called "Dragons' Den" whereby Canadian entrepreneurs have an opportunity to pitch their ideas to a panel of five "dragons" in hopes of getting funding and the opportunity to work with one or more of them.

Boston Pizza Royalties is engaged in operating and franchising Boston Pizza restaurants in Canada. Revenue is derived from royalty income which is then disbursed to the trust's unitholders.

If you're a passive investor, then this stock is for you as revenues are increasing and the fund has a current dividend yield of 8.17%.

Increasing sales

Revenues increased from \$31 million in FY 2014 to \$46 million in FY 2018. Given that revenue is derived solely from royalty income this is a good sign as it indicates Boston Pizza locations are selling more food and beverages.

Boston Pizza Royalties' 2019 second quarter results echoed this trend with franchise sales of \$216.9 million up 0.7% compared to the same period last year. This increase is attributed to a growth in online take-out and delivery sales and a revamp of Boston Pizza's menu.

According to the President of BPI, Jordan Holm: "Near the end of the second quarter, Boston Pizza introduced a completely refreshed national menu representing one of the biggest menu launches in

Boston Pizza's history with over fifty percent of the menu items either brand new or improved recipes of existing items."

As a food company, change is the only constant so being able to quickly adapt to shifting consumer tastes is crucial. Boston Pizza has demonstrated that it is both aware and proactive in this regard.

As an investor, this should excite you, as Boston Pizza's current strategy suggests that [sales will continue to grow in the future.](#)

High dividend yield

Boston Pizza Royalties' current dividend yield is 8.17%!

That means a \$10,000 investment at the beginning of the year held to year-end would result in \$817 *of passive income alone*. That's a pretty sweet weekend getaway.

Further to this, Boston Pizza's dividend payout has [increased almost every year](#) since FY 2011 going from \$0.084 per month to \$0.115 as of FY 2019. While this may not seem like a significant increase, Boston Pizza Royalties pays dividends *monthly*, which means the annualized payments per share increased from \$1.008 in FY 2011 to \$1.38 in FY 2019.

Bottom line

There are very few companies on the TSX with a dividend yield greater than 5%, which makes Boston Pizza Royalties a gem.

As sales continue to grow, investors will continue to be rewarded. This, coupled with the company's history of increasing dividend payouts means the potential for returns are huge.

If you're a passive investor, you will definitely want to get a slice of this pie.

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