



2 Great Canadian Stocks With Yields of Over 6%

Description

There are many great Canadian stocks out there with dividend yields that remain on the higher end of the historical range. Indeed, some such names have been under pressure over the years. But as they [bounce back](#) into the post-COVID environment, many are worth picking up before their yields compress as a result of further capital gains.

Consider **Boston Pizza Royalties Income Fund** ([TSX:BPF.UN](#)) and **Pizza Pizza Royalty** ([TSX:PZA](#)); two pizza plays with yields of 6.1% and 6.5%, respectively.

Boston Pizza Royalties

Boston Pizza is an iconic dine-in restaurant that's felt the full force of [COVID](#) restrictions over the past year and a half. Although takeout and delivery have kept the company afloat, the name is primarily a dine-in play. With the pandemic likely turn into an endemic at some point, Boston Pizza seems like a magnificent reopening play with most of the risks already baked in. Recently, shares bounced back above their 2020 highs, and with compelling new menu items, the appetite for Boston Pizza could continue to rise as more consumers feel comfortable dining out.

Further, shares look to have compelling technicals at this juncture alongside a dirt-cheap multiple that may be unsustainably low. Shares trade at 9.4 times trailing earnings with a high 1.96 beta. While shares of the name are likely to be volatile, for those bullish on the post-COVID world, it's tough to match Boston Pizza's value proposition.

Pizza Pizza Royalty

Pizza Pizza Royalty is a delivery-focused pizza play that's been on the steady ascent since bottoming out in March 2020. Indeed, pandemic restrictions didn't hit the firm nearly as hard as dine-in-focused restaurant Boston Pizza. That said, shares have continued to struggle with issues that hit the firm well before the pandemic hit.

Shares of PZA have been in freefall since May 2016. Undoubtedly, the pizza market is quite crowded these days, with many firms like Domino's leveraging their tech-savviness to gain an edge over the competition. Indeed, digital sales platforms are becoming increasingly more important. While Pizza Pizza's e-commerce platform still has room for improvement, investors shouldn't discount the firm's incredible delivery capacity or its ability to innovate.

Indeed, Pizza Pizza, which also owns the Pizza 73 banner, has introduced some pretty compelling new menu items over the years. Most notably, the firm's wide range of new plant-based toppings has been appreciated by vegetarian and vegan crowds. More recently, though, the company made a bold move to go beyond just pizza. Chicken sandwiches have been all the rage over the years, and although it seems weird for a pizza company to get into the name, one has to appreciate the firm's willingness to pivot with an offering of its own.

I believe that a chicken sandwich offering can only help Pizza Pizza and its climb back to highs not seen in around four years. The payout looks more than safe at this juncture, even if the pandemic worsens over the medium term.

Better buy?

Boston Pizza is a higher upside bet at the cost of higher risk. Pizza Pizza looks to be a steadier, albeit slightly pricier pizza play suitable for investors who are no fans of volatility. Personally, I think there's more value to be had in Boston Pizza.

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