



## PZA Stock Price: Hits 52-Week High in November

### Description

**Pizza Pizza Royalty (TSX:PZA)** is one of the top-performing stocks on the TSX this year. After accounting for dividend payouts, it has returned over 35% to investors in the first 11 months of 2021. Valued at [a market cap](#) of \$368 million, PZA stock recently touched a 52-week high last month before losing 3% on November 30, as the Omicron variant continues to weigh heavily on the stock market.

Pizza Pizza Royalty owns and franchises quick-service restaurants in Canada. At the end of December 2020, it had 749 restaurants in the royalty pool and this number has reduced to 725 at the end of Q3. Let's see if the stock should be a part of your equity portfolio today.

### PZA reports Q3 results

In Q3 of 2021, Pizza Pizza's system sales from restaurants part of the royalty pool rose by 3.5% year over year to \$129.7 million compared to \$125.4 million in the year-ago period. In the first nine months of 2021, system sales fell by 2.4% year over year to \$355.9 million.

SSSG, or same-store sales growth, which is a key driver of yield growth for shareholders were up 2.8% but fell 3.4% in the last three quarters. Pizza Pizza explained, "When comparing the results of 2021 to 2020, it is important to remember that the COVID-19 pandemic began impacting business in mid-March 2020. While it is over a year since the initial and sudden impact of the pandemic began, the effect continued through the third quarter of 2021."

The company disclosed that SSSG is driven by the change in customer check and customer traffic, which are impacted by changes in pricing and sales mix. In Q3, PZA's SSSG increase was driven by the relaxation of COVID-19-related restrictions, which led to a rise in walk-in traffic as well as the reopening of multiple locations. This was offset by a decline in average check size.

### Company increases dividends

Pizza Pizza declared dividends of \$4.3 million for Q3, or \$0.175 per share, compared to \$3.7 million, or

\$0.15 per share, in the year-ago quarter. As a result, its payout ratio rose to 90% from 74% in this period. In the first nine months of 2021, PZA's dividend payments stood at \$12.4 million, or \$0.5139 per share, compared to \$12.7 million, or \$0.505 per share, in the year-ago period. Its payout ratio also increased to 97% from 92% year to date.

PZA aims to distribute all available cash to investors in order to maximize shareholder value. It [reduced monthly dividend payments](#) in April 2020 to \$0.05 per share from \$0.071 per share in March 2020. Its monthly dividend payout currently stands at \$0.06 per share, providing investors with a tasty forward yield of 6.1%.

## The Foolish takeaway

Pizza Pizza has showcased its resilient business model amid COVID-19, as its sales fell by 15% at the [worst point in the pandemic](#). The company's current dividend payout is still 84% of what it was two years back, which suggests further increases might be on the cards, making PZA stock a top bet for income-seeking investors.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:PZA (Pizza Pizza Royalty Corp.)

### PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

### PP NOTIFY USER

1. araghunath
2. kduncombe

### Category

1. Dividend Stocks
2. Investing

### Date

2025/08/27

### Date Created

---

2021/12/02

**Author**  
araghunath

*default watermark*

**default watermark**