

Papa John's Stock Soars After Founder Resigns as Chairman

By Lisa Fickenscher

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Apparently the “better ingredients” at Papa John’s means a lot less Papa John.

Hours after the pizza chain’s John Schnatter stepped down as chairman of the company he founded in 1984 — in the wake of reports he made racist remarks during a public relations training session — investors rushed into the stock, pushing it up as much as 13 percent in early Thursday trading.

While the 56-year-old executive will no longer lead the Louisville company, he will remain on its board of directors, it said in a regulatory filing.

Papa John’s has tried to distance itself from its

controversial founder this year. Those attempts will no doubt intensify.

In the coming weeks, the company needs to explain that Schnatter’s “unfortunate remarks are not examples of the overall culture,” said restaurant consultant Arlene Spiegel, who predicts that “some new ads with ‘diversity messages’ will appear along with some coupons and promotions and the impact will diminish.”

Schnatter was very visible in TV spots that aired during NFL games — often appearing with football great Peyton Manning. At the end of each commercial, Schnatter would recite the company slogan: “Better ingredients. Better pizza. Papa John’s.” ■