



## Should You Buy BCE Inc.?

### Description

Canada's largest communications company hit its all time high on January 20, 2015, as money continues to flow from more troubled sectors of the S&P/TSX into more stable sectors.

With the massacre of the energy sector and the concerns within the financial sector, investors are shifting money into other spaces and **BCE Inc.** ([TSX:BCE](#))([NYSE:BCE](#)) is one company that is benefitting from this.

The company provides residential, business and wholesale customers with a range of communication solutions. It operates in four segments: Bell Wireline, Bell Wireless, Bell Media and Bell Aliant.

Shares of the company have doubled in the last five years and more recently; it has returned 16.13% from its 52-week low. In fact, it is now hovering at its 52-week high.

There are several reasons why investors love this stock at the moment.

First, it has an attractive cash flow growth due to several recent acquisitions. Last year, BCE took its Bell Aliant subsidiary private and spent about \$4 billion on the deal. Bell Aliant pays a strong dividend and since the deal closed, BCE shareholders have continued to benefit. Additionally, in 2013, BCE also bought Astral Media, which allows it to tap into Quebec's attractive pay TV market.

Second, BCE is a dominant player in its industry and continues to position itself against competition. With video streaming platforms becoming fierce competition to traditional media, BCE has launched its own online streaming platform, Crave, which allows its TV subscribers a library of over 10,000 hours of television programming.

Finally, the company has a reliable dividend yield of about 4.72%.

### Should investors buy the stock?

Well, I'm all about getting a good bargain and I like to follow Warren Buffett's strategy of buying stocks when others are fearful, instead of when they are greedy. At current prices, BCE looks expensive to me. Then again, the price of quality is seldom cheap. I suggest investors carefully think about their

investing goals and accordingly make a purchase. I wouldn't buy into these valuations just yet and would rather wait for the stock to pull back a little first. But if you already have a position in the company, then it's a great time to be a shareholder of BCE.

## CATEGORY

1. Investing

## TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. TSX:BCE (BCE Inc.)

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