



## Which Is the Better Investment: BCE Inc. or Telus Corporation?

### Description

**BCE Inc.** ([TSX:BCE](#))([NYSE:BCE](#)) and **Telus Corporation** ([TSX:T](#))([NYSE:TU](#)) are two national telecommunications companies with similar product portfolios. Both are large companies with a national footprint that offer wireless services and, in some provinces, competing TV, Internet and business services.

Let's take a closer look at both to determine which one of these two companies is the better option for your portfolio.

#### The case for BCE

BCE is currently trading just over \$54, sitting closer to the 52-week high of \$60.20 rather than the low of \$46.43. Year-to-date, the stock is up by 2.5%. Extending this out to a full year shows a healthy 15% increase. For long-term investors, the five-year figure is an impressive 63% increase over the current price. This and its great dividend make BCE a suitable candidate for long-term investors.

Where BCE impresses the most is the dividend, which, shockingly, has been paid to investors for over 100 years. The \$0.65 quarterly dividend is income from the infrastructure that BCE has already built up.

Keep in mind that the dividend payout represents a significant source of the total income that BCE earns, so investors that are seeking significant growth over time may want to reconsider BCE. Income via dividend payments is clearly the focus for selecting this option.

#### The case for Telus

Telus trades in at just over \$43, creeping up closer to the 52-week high of \$45.19. Year-to-date the stock is up nearly 3%, and over the course of a full year this figure improves to 10.24%. Long term, the company price is up by 96% over the past five years.

In terms of dividends, Telus has a quarterly dividend \$0.48, which, while lower than BCE's per share, has increased 11 times in the past five years—and is likely to increase again.

Telus's wireline business continues to grow, with TV and broadband services adding 17,000 and 22,000 new subscribers in the most recent quarter. This is in contrast to BCE, where the landline business is declining, and starting to eat into revenues.

### **And the better Investment goes to...**

Both of these companies are great investments, and both pay out a handsome dividend. BCE's century of stable dividends balances out Telus's recent emergence and growth nicely, while both have solid balance sheets and results. Both companies are even similarly priced.

If I had to diversify and choose one of these companies, it would have to be Telus.

Telus is also not straddled by expensive media divisions or heavy infrastructure costs. As a result, a significant portion of revenues can be diverted to expansion and aggressive growth, which should see the company increase dividends and revenue for years.

### **CATEGORY**

1. Dividend Stocks
2. Investing

### **TICKERS GLOBAL**

1. NYSE:BCE (BCE Inc.)
2. NYSE:TU (TELUS)
3. TSX:BCE (BCE Inc.)
4. TSX:T (TELUS)

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