



Which Is the Better Investment for Your Portfolio: Rogers Communications Inc. or BCE Inc.?

Description

Two very similar companies that leave investors stuck as to which is the better investment are **Rogers Communications Inc.** ([TSX:RCI.B](#))([NYSE:RCI](#)) and **BCE Inc.** ([TSX:BCE](#))([NYSE:BCE](#)).

The offerings of these two companies are so similar and inundate consumers with so many advertisements that more often than not the decision to pick one company over the other is based on which of the two has burned the investor less as a consumer.

Let's take a look at both and see which one is the better investment.

Rogers Communications Inc.

Rogers currently trades at \$48.50, mid-way between the 52-week high of \$54.56 and the low of \$40.72. Year-to-date, the stock is up by 7.37%, outperforming the market. When looking at the longer term, the five-year change on the stock price shows an increase of 40%.

Rogers offers a quarterly dividend of \$0.48 per share for a yield of 3.96%. The company has a precedent of increasing the dividend several times over the past few years, and that trend is likely to continue.

The payout ratio for Rogers is lower than that of BCE, meaning the company has a sizeable amount of revenue that can be allocated to growth.

BCE Inc.

BCE is currently priced at \$54.03. The stock is down from the 52-week high of \$60.20 and closer to the low of \$51.56. Over the past six months the stock has been relatively flat, in the red by less than half a percentage point. Looking at the year-to-date, BCE only improves marginally by 1.41%. When looking at the longer term, the five-year price difference shows a growth of 51.34%.

BCE has a quarterly dividend of \$0.65 per share for an impressive yield of 4.81%. BCE has been

paying dividends for well over a century and has raised the dividend consecutively over the past seven years.

BCE allocates a significant portion of revenues towards the dividend payout, which is the reason for the much higher yield. The flip side of this is that because more revenue is allocated to the dividend, there is less revenue available to invest in growth.

The better investment

The better option may be down to personal preference.

Investors who are more interested in attaining dividend income would be better suited to investing in BCE. Investors who are more interested in long-term growth would be better matched to Rogers. In my opinion, BCE is the better of the two, as the higher dividend is just too hard to pass on.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:RCI (Rogers Communications Inc.)
3. TSX:BCE (BCE Inc.)
4. TSX:RCI.B (Rogers Communications Inc.)

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