



Telus Corporation Is a Great Growth and Dividend Option

Description

Diversify. Balance out your portfolio with growth and dividends across several companies in different industries. This is the one bit of advice that investors are told time and time again.

While this remains a sound investment policy, there's no reason why investors shouldn't consider adding a company that can cater to both growth and dividends to their portfolios.

Telus Corporation ([TSX:T](#))([NYSE:TU](#)) is a company that satisfies both of those needs. As one of the largest and the fastest-growing telecommunications companies in the country, Telus offers services in the Internet, phone, and wireless segments.

Here are three reasons why Telus is great for your portfolio.

1. Telus has a solid business model

The services that Telus offers require a significant amount of upfront investment to get up and running. Fortunately for Telus, the infrastructure is already built. But for any would-be competitor, these are huge costs of entry into what is already a fairly mature market.

Keep in mind, however, that mature doesn't mean there is no growth. In the most recent quarter Telus reported revenue growth of 2.8% for the quarter over the same quarter last year, totaling \$3.217 billion.

The company also continued to grow the subscriber base by adding 109,000 new wireless post-paid customers to both the Internet and TV segments in the last quarter.

Looking ahead to 2016, Telus announced targets that plot a course of moderate growth for the company. Revenue for 2016 is targeted to be in the \$12.75-12.85 billion range, reflecting 2-3% growth over the 2015 figure.

2. Telus continues to invest in infrastructure improvements

Just because Telus has infrastructure built doesn't mean the company will not continue to invest. Telus

is in the midst of a massive re-investment program; it recently announced the intention to invest \$2 billion in new communication infrastructure in Quebec over the next four years.

In fact, by that time Telus will have invested for \$27 billion in Quebec since 2000. Some of the key aspects of the latest round of updates include building new wireless sets to increase speed and load on the company's wireless network and building Telus's fibre optic network to the benefit of TV and Internet subscribers.

3. Telus has a great dividend

Telus has one of the most impressive dividends on the market, and given both the market share of the company and its history of dividend increases, the dividend is likely to increase again this year and remain a top option for dividend-seeking investors.

Telus currently pays out a quarterly dividend of \$0.44 per share, giving the company a yield of 4.2%. Telus has increased the dividend twice per year since 2010.

Telus also has a share-buyback program in place. The \$2.5 billion plan started three years ago, and so far the company has bought back over 30 million in shares, which propels the price of the stock even higher. And up to another 16 million shares could be sold this year.

Telus is a great option for investors seeking growth as well as dividend income. The defensive moat as well as strong results and increasing dividends should see Telus continue to grow for years to come.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:TU (TELUS)
2. TSX:T (TELUS)

Category

1. Dividend Stocks
2. Investing

Tags

1. Editor's Choice

Date

2025/08/02

Date Created

2016/03/29

Author
dafxentiou

default watermark

default watermark