



Investing in Telus Corporation Will Give Your Portfolio the Growth it Needs

Description

Telus Corporation ([TSX:T](#))([NYSE:TU](#)) has a reputation for being one of those forever stocks with a great dividend. Basically, you buy the stock, hold it forever, and watch your position grow as the dividends and growth start to add up.

Here's a look at the company and why you should consider investing in Telus if you haven't already.

Telus is a dividend stock

First and foremost is the dividend. Telus has developed a bit of a reputation over the years for being one of the better dividend-paying stocks on the market. This continues to be true to this day.

Telus currently pays out a quarterly dividend of \$0.46 per share, which—given the current stock price of \$41.40—gives the company a very handsome yield of 4.45%. The company has been raising the dividend now for several years, which is likely to continue for the next few years at a growth rate of at least 8%. By way of illustrating that dividend growth, a decade ago Telus's dividend was \$0.136 per share.

In addition to providing one of the best dividends around, Telus has been engaged in a number of share-buyback programs throughout the years that have helped push the stock even higher.

Telus is a growth stock

Telus fits the bill as one of those rare stocks that can offer both dividends and growth over time. While the growth of the stock isn't the quickest, it is—for the most part—stable. The stock is currently trading at \$41.40, and over the past three years the stock has appreciated by 31%.

Unlike other telecommunications companies that Telus has as peers, the company has resisted the urge to grow into media acquisitions, opting instead to expand and grow the existing telecommunications business.

Telus is an indirect beneficiary of the recently announced and approved deal for competitor **BCE Inc.**

to purchase **Manitoba Telecom Service Inc.**—a smaller telecom player—for S3.9 billion. As part of the agreement with the regulatory body, BCE will have to sell off one-third of subscribers to Telus.

Another possible deal that has been raised recently is whether or not SaskTel will be put up for sale as well. If this were to materialize, it would be a perfect fit for the company and would grow its representation in that part of the country.

Telus is also heavily invested in actively improving the infrastructure that provides 4G and LTE-advanced speeds by upgrading infrastructure and building out the fiber network in Ontario. The company has committed to spending a total of \$1 billion on this endeavour through 2019 and has already planned to spend nearly \$245 million this year.

In my opinion, Telus remains a great investment for those investors looking for dividend income and long-term growth.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

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

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