



Why Telus Corporation Is a Great Investment for the Future

Description

When selecting a telecom company to invest in, investors are fortunate to have a number of fairly great options to choose from. One company I've really started to take a closer look at in the industry is **Telus Corporation** ([TSX:T](#))([NYSE:TU](#)). Investors who haven't already done so would be well served by taking a look at the company as well.

Telus is not only one of the biggest telecommunications companies in the country, but is also the fastest growing of the lot. The company boasts over 12 million subscribers in wireless, high-speed internet, phone line, and TV throughout most of the country.

Looking beyond the traditional services that are offered, Telus has branched out into other areas, specifically with respect to health care and Internet of Things (IoT) devices.

Telus as a provider of healthcare IT and IoT services

On the healthcare front, Telus is the largest healthcare IT provider in the country. Telus provides a myriad of solutions for the industry ranging from electronic medical and health records to pharmacy management solutions. Digital health care is gradually increasing in importance as the medical field moves towards IT solutions to both better serve customers and reduce costs.

Telus is one of the pioneers in this industry and continues to expand into new areas and regions, which provide growth and additional revenue streams beyond the traditional internet, phone, and TV core businesses.

The IoT market is another area where Telus was quick to act in terms of adoption and growth. The IoT is the idea of having billions of interconnected devices that feed information, diagnostics, and updates to each other and us.

The possibilities for IoT adoption are nearly endless; anything from a coffeemaker to alarm clock, or even your car could become smart and accomplish mundane tasks to make your life easier. Industry pundits estimate that the IoT market will consist of billions of devices with a market share in the trillions within the next few years. By the end of this year, over 43% of businesses are set to adopt some form

of IoT.

Telus was one of the first companies to offer an IoT marketplace for businesses, and it offers a number of solutions and services for customers.

Why Telus appeals to investors

One of the primary reasons that Telus appeals to so many investors is the company's dividend. Telus's current quarterly dividend amounts to \$0.46 per share, which, given the current stock price of just over \$43, translates into a very impressive 4.28% yield.

The only thing better than Telus's dividend is the history of its growth. Nearly a decade ago that dividend was just \$0.136 per share. Telus has provided a steady stream of increases over the years; the most recent uptick occurred just recently.

In the most recent quarter Telus posted minor revenue gains of 1.5%. In terms of subscribers, Telus had a strong quarter, adding 61,000 subscribers to the wireless segment of the business, which beat analysts' expectations. The internet and TV segments saw slower growth, adding only 18,000 and 13,000 customers each.

Telus also announced an increase in capital expenditures of \$200 million for the year, which will be used to upgrade the backbone of the company's fibre-optic network. This level of investment is a great sign of a company investing in the future, as all telecoms will need to ramp up infrastructure as both 5G signals and 4k-enabled TV service become a reality.

In my opinion, Telus remains one of the better options for investors looking for dividends and long-term growth. The company's dedication to dividend growth and investing in different, but relevant technologies should continue to fuel growth for Telus for years to come.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

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

Category

1. Investing
2. Tech Stocks

Date

2025/07/30

Date Created

2016/09/26

Author

dafxentiou

default watermark