BCE Inc. is Still the Forever Stock Your Portfolio Needs

Description

There are few companies on the market today that have garnered as much interest as a buy-and-forget option as much as **BCE Inc.** (TSX:BCE)(NYSE:BCE)

And truthfully, there's plenty to love about BCE. Whether it's the massive built-out network that is the envy of all competitors, the incredible defensive moat that the infrastructure providers, or the media and sporting empire that augments BCE's core subscription services, BCE continues to justify a spot in nearly every portfolio.

Quarterly results are in

BCE posted quarterly results this week that once again affirmed why the company is a buy-and-forget champion.

In first quarter results announced this week, BCE reported revenue gains of 2.2% for the quarter, which topped $5.37 billion, surpassing what analysts were expecting. The $3.1 billion acquisition of Manitoba telecom services Inc., which was finally completed in the previous quarter weighed in heavily on profits of BCE, which fell 4.4% in the quarter to $725 million.

Adjusted net earnings registered an increase of 2.4% in the quarter to $0.87 per share, which exceeded analyst calls for just $0.83 per share.

The wireless segment of BCE saw an addition of 36,000 subscribers in the most recent quarter, which was greater than what analysts were forecasting. BCE's ARPU for the quarter saw an increase of 4.2%, coming in at $65.66, above BCE's main competitors.

The internet segment saw slower growth in the quarter, with 15,000 new subscribers being added, but this fell short of the 20,000 that joined in the same quarter last year. BCE attributed this decease to aggressive promotional campaigns on the part of BCE's competitors.

BCE acknowledged that growth in the IPTV segment appears to be slowing, with just 22,000 FibeTV customers coming onboard in the most recent quarter, less than half of the 48,000 subscribers that were added in the same quarter last year.

That decrease is attributed to a growing trend among consumers to “cut the cord” and opt for online streaming services in lieu of a traditional TV package. BCE Chief Executive George Cope noted that the company has a new product to be released within the next few weeks to counter the current trend.

Looking out at the remaining fiscal, BCE provided an updated outlook that considers the complete impact of the MTS deal. While both adjusted EBITDA and revenue are targeted to increase by between 4%-6%, earnings will fall short of the previous guidance issued earlier this year, to come in at $3.40 per share.

What about BCE’s dividend?

BCE has been providing investors with a dividend for well over a century, and that doesn’t seem to be ending anytime soon. BCE’s dividend remains one of the best and most well-known on the market, and thanks to the company’s latest announcement, that dividend just got better.

BCE announced a 5.1% bump to the dividend, translating into $0.7175 per quarter or $2.87 annually. In terms of a yield, BCE now provides investors with an impressive 4.58% yield thanks to that latest bump, keeping BCE as an attractive investment over the other telecom players on the market.

In my opinion, BCE remains a great investment opportunity for those investors that are looking for an investment that can provide both growth and income over the long-term.

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