



## Which Is the Best Telecom for Your Portfolio?

### Description

To most investors, picking an investment from the major telecoms in Canada is like flipping a coin. With few exceptions, all of the telecoms offer the same subscription offerings, similar price points and service levels, and even provide quarterly updates at nearly the same time.

Fortunately, there are some differences for investors to ponder that could influence which of these behemoths is a worthy investment. Here's a look at how each of these will appeal to investors.

#### **BCE: the forever stock**

**BCE Inc.** ([TSX:BCE](#))([NYSE:BCE](#)) is one of just a handful of stocks that are often mentioned as an ideal buy-and-forget addition for nearly any portfolio. BCE has a massive defensive moat thanks to the infrastructure network the company has built over time, which allows BCE to pass on a greater proportion of cash back to shareholders in the form of a quarterly dividend.

Income-seeking investors can take solace in the fact that BCE has been paying a handsome dividend for well over a century, and the current 4.90% yield is both sustainable and likely to continue growing for the next few years thanks to a series of well-timed acquisitions, such as the recently completed MTS deal.

Another advantage BCE has is the sheer size of the company. It branches into an empire of businesses beyond the core subscription services. BCE's media holdings include a handful of TV and radio stations, and the company also owns a number of professional sports teams.

BCE is best suited for investors that want to maximize their income-earning potential and want moderate growth. It trades at just over \$58.50 with a P/E of 17.81

#### **Rogers: pushing to the future**

**Rogers Communications Inc.** ([TSX:RCI.B](#))([NYSE:RCI](#)) is not unlike BCE, sharing many of the same types of holdings in both the TV and radio space; it also owns parts of the same professional sports teams that BCE has an interest in.

One area where Rogers seems to differ from BCE is in terms of growth. The stock has appreciated over 17% year to date, and efforts within the company to grow the customer base are finally bearing fruit. Rogers has been aggressively marketing to customers, offering a host of perks and add-ons to new subscribers.

Beyond the marketing campaigns, Rogers has been working on a new IPTV offering based off the highly successful X1 Platform from **Comcast**. The X1 is set to go live within the next year; it will offer gigabit internet connections, and the new platform replaces a proprietary offering which the company mothballed in 2016.

Rogers is best suited for investors looking for growth. That's not to say dividend-seeking investors should turn away — Rogers offers a quarterly dividend that pays a respectable 3.15% yield.

Rogers currently trades at just over \$60 with a P/E of 35.75

### **Telus Corporation: keeping customers happy**

**Telus Corporation** ([TSX:T](#))([NYSE:TU](#)) strikes a balance between both Rogers and BCE. The company lags behind the high-paying dividend of BCE, but it manages to come in higher than Rogers by offering a 4.41% yield. Similarly, from a growth perspective, Telus betters BCE's relatively flat growth over the past year; the stock has appreciated over 4% year to date, but this pales in comparison to Rogers's double-digit gain this year.

Telus outshines the competition in several ways. Telus has the best churn rate of any of the telecoms, recently noted as just 0.93%. In the most recent quarter, Telus added 75,000 customers across all segments. By keeping nearly all of those new subscribers within Telus's house, the company can focus on growth and expand the growing network.

Telus has an ambitious plan to invest \$4.2 billion in infrastructure over the next few years in Alberta and is already actively testing 5G network connectivity.

Telus is ideal for the investor looking for growth and income from a long-term investment. Telus trades at just under \$45 with a P/E of just 20.71.

### **CATEGORY**

1. Dividend Stocks
2. Investing

### **TICKERS GLOBAL**

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

5. TSX:RCI.B (Rogers Communications Inc.)
6. TSX:T (TELUS)

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