# 3 Reasons BCE Inc. Stock Is the Wireless Stock to Own

## Description

Investing in reliable, dividend-paying companies that provide essential services is a key strategy in ensuring that we as investors have safe, reliable income for years to come.

This is what we have with telecommunications companies, which provide essential services that generate plenty of predictable revenues and returns.

And while the telecom market is highly competitive at this time, **BCE Inc.** (TSX:BCE)(NYSE:BCE) is on solid footing, with a proven track record of execution and cost efficiencies.



So, when I say that BCE is the wireless stock to own, I realize that it may not be the first company or stock that comes to mind.

But as Canada's largest telecommunications services company with the cash flow and balance sheet capacity to safely and confidently finance investment in its network, BCE is a force to be reckoned with.

**Attractive dividend yield**

With BCE stock currently trading at a 5.59% dividend yield, investors have plenty of reasons to get in on the action.

The dividend yield has risen in recent months, as the stock price has weakened, down almost 10% year to date. In my view, this will prove to be a great entry point for investors.

BCE has a very favourable and long dividend-growth history, with a seven-year compound annual growth rate of 7.4%, giving investors safe and increasing dividend income.

In 2017, the company increased its dividend again, this time by 5.2%.

**Wireless traction**

In the fourth quarter of 2017, BCE's wireless network growth outpaced **Telus Corporation** (TSX:T)( NYSE:TU), which is a very encouraging turn of events.

Postpaid net additions were more than expected, at 175,000, a 56% increase versus last year, and that compares to Telus's additions of 121,000.

BCE's continued investment in the wireless space should keep this momentum going, although the competitive landscape is intense.

Regarding the speed of the wireless connection, back in 2017, Telus had overtaken BCE as the country's fastest wireless network, but with Bell's history of execution and strong financial resources supporting future investment, this will likely be a quickly evolving situation.

**Strong cash flow**

With free cash flow of more than $3 billion in 2017, and free cash flow as a percentage of revenue of well over 10%, BCE is a pillar of strength and is ready to invest in the business.

BCE is spending billions to invest in fibre-optic networks, as this is the future of the telecommunications industry, and will continue its wireless spending.

Going forward, we can expect a mid-single-digit annual dividend increases for BCE, which will be supported by the company's ample cash flow.



**CATEGORY**

1. Dividend Stocks
2. Investing
3. Tech Stocks

**TICKERS GLOBAL**

1. NYSE:BCE (BCE Inc.)
2. NYSE:TU (TELUS)
3. TSX:BCE (BCE Inc.)
4. TSX:T (TELUS)

**PARTNER-FEEDS**

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

**Category**

1. Dividend Stocks
2. Investing
3. Tech Stocks

**Date**
2025/08/18
**Date Created**
2018/04/27
**Author**
karenjennifer