



Why Telus Corporation (TSX:T) Is Still a Good Investment

Description

Canada's telecoms remain some of the most contested discussions among both consumers and investors, leading to frequent comparisons. Overall, the Big Three offer many of the same services and price points of their peers, making the decision for consumers that much more difficult.

Telus ([TSX:T](#))([NYSE:TU](#)) is the third-largest telecom in the country and is often in the shadows of its larger peers in terms of coverage.

How is Telus doing?

Last week, Telus announced results for the latest quarter which came in lower than expected on several fronts. In the wireless segment, Telus finished the quarter adding just 87,000 new postpaid subscribers to its wireless segment, which paled in comparison to the 99,000 new customers garnered in the same period last year, but still matched what analysts were predicting.

Where the number fell short was when compared to the higher numbers in the same segment reported from Telus's peers, who also provided an [earnings update recently](#).

Much of anemic performance can be attributed to two factors. First, aggressive marketing underway between Telus's competitors for a share of the lucrative wireless market continues to take its toll, and the [rise of a fourth major wireless player](#) from **Shaw Communications**, dubbed Freedom Mobile, has attracted a growing number of subscribers over the past year.

Revenue from the wireless segment still managed a 3.6% improvement to \$1.94 billion.

That being said, there were several also positive takes from Telus's quarterly update.

Telus's wired business realized a 7.1% increase over the same quarter last year, with revenues coming in at \$1.57 billion. Growth in that segment can be attributed to the 29,000 new internet and 15,000 new TV customers acquired in the quarter, which beat the expected growth of just 15,000 and 4,000 customers.

This was a key development that the company attributed to its growing Fibre TV customer-base, which has more fewer technician visits, more up time, and overall better service over non-Fibre customers. The higher cost of the service is also a benefit to the company worth noting, reflected in the ARPU (average revenue per user), which continued to edge upwards in the most recent quarter by 0.6% to \$67.24.

Overall, revenue for the quarter came in at \$3.45 billion, reflecting a 5.3% increase, and net income attributed to shareholders came in at \$390 million.

Should you invest in Telus?

There are many reasons to consider investing in Telus. The company's Fibre TV product has proven itself as being both popular and profitable for the company, and the roll-out of its fibre-optic network across the western provinces continues. Additionally, unlike its other peers that comprise the Big Three, Telus still thankfully lacks having a costly media segment to distract from its core subscription services.

From a growth standpoint, Telus has seen a respectable, yet steady growth over the past years, with the stock appreciating nearly 9% over the past two years and an increase of well over 50% recorded over the past five years.

Finally, there's the dividend. Telus is a great income investment, offering a quarterly dividend that pays a very impressive 4.46% yield with annual or better increases stemming back a decade, the most recent of which occurred earlier this year.

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