A Top Dividend Stock That You Could Regret Not Buying Sooner

Description

When picking stocks for your retirement portfolio, it's important that you have a long-term horizon. Once you have the next 10, 20, or 30 years on your side, you have a much better chance of building wealth by investing in top companies with wide economic moats.

Here is a top dividend stock that offers a great potential to multiply your wealth if you plan to invest in it for the long-term.

Rogers Communications Inc.

Rogers Communications Inc. (TSX:RCI.B)(NYSE:RCI) is an attractive dividend stock to hold in your retirement portfolio. Rogers is Canada's second-largest telecom company, but it has the largest market share of the country's growing wireless segment, dominating about a third of the market's revenue and subscribers.

If you're not familiar with the Canadian telecom market, then you should make a note that it's very different from what we have south of the border. Here, the market is mainly controlled by three top players who serve a growing population with strong demand for wireless services.

Rogers drives about 57% of its revenue from the wireless segment of its business. This segment has been under pressure ever since **Shaw Communications Inc.** acquired Wind Mobile, challenging the dominance of the "Big Three" players.

But data from the company's second-quarter earnings report show that Rogers is doing a good job of adding new wireless subscribers. In that quarter, Rogers' wireless division added 122,000 net new postpaid wireless subscribers, the most for a second quarter in nine years.

The number of Rogers internet subscribers rose by 23,000 in the three months ended June 30, the most for a second quarter since 2005. Post-paid churn for wireless customers declined to 1.01%, showing that consumers are sticking with the company. On that metrics, it was the best quarter in nearly a decade.

These results show the company's ability to churn out cash each quarter and deploy it for growth and payout distribution.

Rogers's stock currently offers an annual dividend yield of 2.82%, the lowest among the Big Three telecom operators. Rogers hasn't increased its dividend since the first quarter of 2015, when it boosted its quarterly payout by 5% to $0.48 a share.

But that doesn't tell us the complete story. On a total returns basis, Rogers produced 52% during the past five years — the highest return when compared to other players.

The bottom line

Rogers Communications is a solid dividend stock that could provide stable income and growth to your portfolio. But as I emphasized earlier, the stock isn't a short-term bet. You should be prepared to hold this stock for the next 10 to 20 years if you want to double your money.

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