



## Rogers Communications Inc. (TSX:RCI.B) Posts Another Great Quarter

### Description

**Rogers Communications** ([TSX:RCI.B](#))([NYSE:RCI](#)) rarely gets the attention that it deserves from investors; its telecom peers typically garner more interest.

Part of the reason for that is that as a telecom, Rogers defies the stereotype of other telecoms by offering a handsome dividend with some annual growth. By way of example, Rogers's current 2.84% yield pales in comparison to its peers, and shareholders haven't seen an uptick in that current \$0.48 quarterly payout in several years.

For this reason, the stock has traditionally been viewed as a growth-first investment, which, given Rogers's recent quarterly announcement, is a label that the company will continue to hold for the foreseeable future.

### Strong results continue to be the norm

Rogers announced results for the third fiscal of 2018 today, which showcased more of the same grit we've come to see from the company over the past few quarters.

Specifically, total revenue saw a 3% uptick in the quarter, coming in at \$3,769 million, while adjusted EBITDA saw an impressive gain of 8% in the quarter to \$1,620 million, both of which were largely fueled by strong increases from the wireless segment.

The final two quarters of the year are typically the strongest for telecoms and their wireless segments, as both back-to-school and holiday promotions provide a strong incentive to consumers to sign on and upgrade their devices and service. In the most recent quarter, wireless service growth improved by 5%, whereas wireless equipment revenue saw an 11% increase over the prior period.

The wireless segment also realized 124,000 net postpaid additions in the quarter, and the churn continued to see gains, coming in at an improved 1.09% — representing the best third-quarter churn in nine years.

Crossing over to the company's residential segment, cable revenue saw a 1% uptick, and internet

revenue saw growth of 8%, translating into 35,000 net internet additions.

An important release for the company during the quarter was Ignite TV, Rogers highly anticipated IPTV service offering that has so far garnered positive reviews — and part of the reason why Rogers opted to raise full-year guidance figures.

Rogers updated guidance now calls for an increase in adjusted EBITDA to end up between 7% and 9% over the full-year figure from last year, surpassing the previous 5-7% guidance. Free cash flow for the fiscal quarter, which was initially slated to fall in between 3% and 5% higher than the previous fiscal quarter, is now revised to fall in between 5% and 7%.

### Should you buy Rogers?

There's no denying that Rogers makes for an excellent long-term growth play. The company continues to make wins on a number of fronts, including improved customer service, new product offerings, and investments into new technologies.

Furthermore, Rogers's improving financials, led by growing revenue, EBITDA and cash flow, while also registering a decline in the debt-leverage ratio from 2.7 to 2.5 in the most recent quarter, show that the company is not only serious but also executing its plan to turn around.

Growth-minded investors will find fewer investments that also cater to a [defensive mindset](#) on the market, while investors looking primarily at [income generation](#) may want to consider several other options.

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