

Here's Why Telus Corp (TSX:T) Belongs in Your Portfolio Right Now

Description

Telus Corporation ([TSX:T](#))([NYSE:TU](#)) often lags behind its two larger Big Three peers of **BCE Inc.** and **Rogers Communications** as notable opportunities for telecom-seeking investors.

Part of the reason for that is the belief that Telus lacks any real growth opportunities and is best relegated to the income-earning category of buy-and-forget.

While there is some truth to that belief, Telus does offer investors several compelling reasons to consider this stock.

The pure-play factor

Unlike its two larger peers in the Canadian telecom space, Telus lacks a media portfolio of radio and TV stations.

While some may view that as lacking diversification, I view that as having a focus on what is important – the core subscription services that Telus offers.

Also worth noting is the fact that media-focused investments aren't having the best of years. By way of example, Corus Entertainment's massive quarterly loss spilled over into the quarterly results of **Shaw Communications**, which had only divested itself of its media holdings just a few years ago to pursue a [lucrative mobile solution](#).

The battle over mobile supremacy is something that holds immense potential for telecoms. Over the course of the past decade, wireless devices have taken over providing functionality that standalone devices used to cater to. Everything from alarm clocks to reminder notes is now firmly within our mobile devices, drawing on our limited and expensive data packages that carriers offer.

Slowing growth revisited

Growth — or the lack thereof — remains one of the main criticisms expressed by opponents of Telus. Let's dispel that myth for a moment by doing a quick recap of the company's third-quarter results.

In that most recent quarter, Telus posted \$3.8 billion in operating revenue, reflecting a handsome 11% gain over the same period last year.

On the all-important wireless front, Telus saw a 3.7% gain in subscribership year-over-year of 199,000 subscribers, resulting in a total 9.2 million subscribers. The company also managed to increase its free cash flow by an impressive 41% over the same period last year, exceeding its peers.

Overall, the company earned \$0.74 per share in the third quarter, surpassing analyst expectations that called for earnings of just \$0.70 per share.

An incredible dividend

There's no denying the fact that Telus offers shareholders a compelling dividend. The current quarterly distribution comes in at a generous yield of 4.67%, which is not only competitively stacked against its peers, but also surpasses some of them.

Another key point regarding Telus' dividend is its growth over time. In the past seven years alone, the company has hiked its dividend an incredible 16 times to the joy of long-term investors, with the most recent hike reflected earlier this year.

This factor alone makes Telus a compelling investment option for [income-seeking investors](#), but when viewed holistically, Telus is the complete package for investors and should be a core part of nearly every portfolio.

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