



## 4 Things to Love About This Telecom Giant's Recent Results

### Description

**Rogers Communications** ([TSX:RCI.B](#))([NYSE:RCI](#)) stock got hit after the release of its fourth-quarter 2018 results that spooked the market.

But that doesn't mean it was a bad quarter.

Let's remember, this is a stock that is coming off hitting new 52-week highs, as execution of its business strategy and accompanying financial results have been top notch, despite a difficult competitive environment.

The reasons to own this stock have not changed, despite the noise this quarter that was related to the new IFRS accounting and higher capital spending which has hit the stock:

- It increased EBITDA and free cash flow guidance as execution continues to beat expectations.
- Its 2.7% dividend yield is very well covered by net income.
- As the largest wireless provider in Canada, Roger offers high exposure to wireless.
- It's defensive with a historically steady and reliable dividend.

Here are the four things to love about Rogers's fourth-quarter results:

1. It had a 4.2% dividend increase — the first increase after a few years of no dividend growth.
2. It had the lowest churn rate in years.
3. It had good subscriber additions (112,000 net additions)
4. It had 20% free cash flow growth

Rogers stock currently has a dividend yield of 2.7%, and although going forward management will prioritize capital investments and share buybacks in favour of a set [dividend increase policy](#), the stock still represents an attractive option for dividend seekers.

### Financial flexibility

The company's strategy leaves it with the financial flexibility to invest back in the business at a time when competition is intense, and so from a longer-term perspective, this is the right thing to do.

It is investing in new initiatives, such as the commercial deployment of X1, which is aiming to transform the home entertainment and cable TV experience.

An all-in-one search function will allow TV watchers to search for their favourite movie, show, or YouTube video all from the same place. Search results will incorporate all of this media, as integration through X1 makes this possible.

Voice remote and instant on demand are other features that will make the TV-watching experience that much more user friendly, easy, and enjoyable.

Investing in upgrading its offering is essential so the company isn't left behind.

## Long-term thinking is good for investors

As investors, it can be easy for us to get caught up on the short term, but the ultimate goal for the company should be that they thrive in the [long term](#).

And a stable dividend is also worth something, as we quickly find out when we are faced with companies that are in the midst of reducing their dividends amid unexpected challenges.

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karenjennifer

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