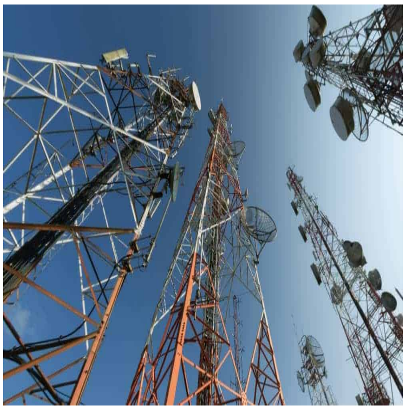

How Rogers Communications (TSX:RCI.B) Is Outdoing its Peers

Description

Over the past year, **Rogers Communications** (TSX:RCI.B)(NYSE:RCI) has done something incredible: the company has broken the stereotypical view of the Big Three telecoms and has begun to seriously invest in growth across a number of different areas.

Here's a look at what has changed at Rogers and why current and prospective investors should take note.

Print is out

Last month, Rogers announced it was selling both its print and digital publications, which includes popular brands such as *Chatelaine, Hello! Canada* as well as *Maclean's* and *Canadian Business* to a privately owned publishing company, St. Joseph Communications. As part of the deal, all Rogers Media Publishing employees will be offered positions at St. Joseph.

The move to jettison the print and digital media segment are not entirely unexpected; telecoms are doubling down on their wireless networks, which are still seeing incredible growth, despite what is arguably an increasingly saturated market.

Wireless is (even more) in

To address that insatiable demand in wireless, Rogers is investing heavily into acquiring licences for additional spectrums. This year, that auction was for the 600 MHz band, which is known for its capacity to both cover wide areas and penetrate buildings with ease. As one of the Big Three, Rogers was entitled to bid on 64 of the 104 licences that were up for grabs. The remaining licences were reserved for the smaller market players to bid on to ramp up their own coverage and provide competition to the Big Three.

Rogers walked away from the auction with 52 of those new licences, which carried a combined cost of $1.72 billion and will be used to greatly enhance coverage in Atlantic Canada, Manitoba, northern and southern Ontario, northern Quebec, and the three territories.

Dividend hikes are back

Rogers's quest to slice its debt and improve its service has finally paid dividends — literally. Following several years of no dividend growth, the company announced a dividend hike last quarter, which brought its yield up to 2.78%. While the payout is still significantly lower than its peers, Rogers can boast the ability to more easily cover that payout while continuing to chew away at its debt.

Management stated that further hikes could follow, but the focus will be on slashing debt and improving the business.

Subscribers are growing and that's a good thing

The investment into wireless is finally paying off in terms of subscribers. In the most recent quarter, Rogers announced a whopping 112,000 new postpaid subscribers, culminating in some of the best numbers seen in a decade, handily beating the 72,000 reported in the same quarter last year.

That stellar growth has another notable side effect for investors: 5G. That latest standard is set to begin rolling out over the course of this year en mass, and with that rollout, consumers can expect a flurry of new devices and data allowances to match that new standard, which, for investors, translates into a welcome boost to revenues.

In my opinion, Rogers remains a stellar long-term option for growth- and income-seeking investors. Buy it and forget about it for a decade or more.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:RCI (Rogers Communications Inc.)
2. TSX:RCI.B (Rogers Communications Inc.)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Investing

Date
2025/08/26
Date Created

2019/04/16
Author
dafxentiou