



3 Reasons to Reconsider BCE (TSX:BCE) in 2019

Description

BCE Inc. ([TSX:BCE](#))([NYSE:BCE](#)) has long-remained a shining example of an income-earning investment that is both stable and growing. As far as dividend investments go, BCE has been rewarding shareholders for well over a century, and there's little reason to believe that the incredible trend will end anytime soon.

What has changed, however, is the perception among some investors as to whether BCE is still as good of an investment as it once was. To try to answer that question, and whether BCE still belongs in your portfolio, let's take a look at three key points of concern.

BCE's growth hasn't stalled

Telecoms are not unlike utility investments in that the stable and recurring income that they provide to shareholders comes at the cost of limited growth prospects, or at least that's what critics of BCE often make note of. To some observers, that criticism may ring true in some of the actions that the company makes, such as the recent wireless spectrum auction where BCE walked away from acquiring any new licenses and instead left BCE's primary competitor to [scoop up over 50 new licenses](#) of the 64 eligible to be bid on.

That may give the illusion that BCE lacks any growth, particularly with the upcoming rollout of 5G, but in reality, BCE already has other low-band licenses that can deliver 5G signals. In fact, factoring in other advancements such as cell splitting means that BCE can still deliver those 5G signals with considerably less investment. Still, BCE has alluded to the next set of auctions that will contain the 3500 Mhz and High-band millimetre wave spectrum, which is instrumental to 5G.

Further, when it comes to the no-growth claim with respect to BCE's stock, the company is currently riding a near 25% gain over the course of the past five-year period while the market has seen a more muted gain of under 15% over that same period.

Finally, I would be remiss if I didn't mention that over the course of that same five-year period, BCE did complete several interesting acquisitions that not only solidified the company's reach in the telecom

field, but also crossed over into new areas, such as the AlarmForce acquisition.

BCE continues to post strong results

In terms of results, BCE's fourth-quarter results announced earlier this year saw the company report strong growth across a number of different segments, such as in the company's wireline segment, which witnessed the best quarterly organic growth result in over a decade and wireless additions of 143,000, which generated 4.6% growth when compared to the prior period.

Overall, adjusted earnings for the quarter came in at \$794 million, or \$0.89 per adjusted share, beating the \$736 million, or \$0.82 per adjusted share reported in the same period last year.

BCE's dividend is in a word, precious

There are few investments on the market today that have been rewarding shareholders for well over a century, and even fewer that have accomplished that feat and still manage to pay out an impressive 5.34% yield. In terms of growth, the current payout of \$3.17 per share has been subject to an annual or better hike that goes back over a decade.

Given the stability and growth history of BCE's dividend, that arguably makes the stock a [perfect buy-and-forget candidate](#) for long-term investors.

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