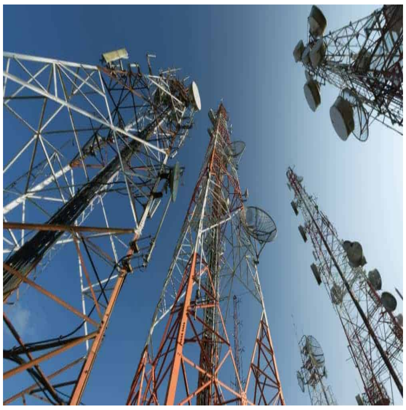

Telecom Showdown: Rogers (TSX:RCI.B) or BCE (TSX:BCE)?

Description

When it comes to the telecommunications industry, there are two superstars that simply shine brightest: **Rogers Communications** (TSX:RCI.B)(NYSE:RCI) and **BCE** (TSX:BCE)(NYSE:BCE).

These companies pretty much have a duopoly on the telecommunications business in Canada, both battling it out for the top spot in the wireless, cable, and internet sectors.

And both giants have a lot going for them. They both offer dividend yields, backed up by strong balance sheets, and both aren't going anywhere any time soon, making them, at the very least, stable investments for the future. To be honest, you could invest in either of these stocks and not really go wrong.

But when it comes to which investment is best, let's see if either one can push out the other to claim the top spot.

Rogers

Rogers have become Canada's leading wireless service provider, with a history of the best cable network in Canada's most populated province: Ontario. Its vast array of sports assets has made this company incredibly strong, with its Blue Jays investment alone worth $1.82 billion.

The company's strong balance sheet means it can continue this trend of investment to create an even wider network and put those funds back into its business. For now, it has a focus on the release of 5G and strengthening its core industries. But hopefully BCE will soon be able to tackle its golden egg: fibre to the home.

The company has remained fairly stable in the last few quarters, most recently reporting $3.76 billion in revenue for the first quarter, operating income of $933 million, and diluted EPS of $1.04.

While its dividend yield is a lower percentage than BCE's, Roger's share price is higher, making a dividend yield of $2.97% not so bad considering a share price of $71.53 at the time of writing. And this company has been incredibly stable with its payouts and its share growth. In the last five years, shares have grown 66%, making a $5,000 investment worth $8,329 today. Analysts predict that upward trend to continue to even $85 per share in the next 12 months.

BCE

While Rogers may be the leading wireless provider, BCE has certainly claimed a position as the one to beat when it comes to cable. This company now has a competitive edge with its fibre-to-the-home technology, which just keeps growing and growing. The exciting part is that it's only the beginning for this cutting-edge technology, as the company continues making it available throughout Canada. Once it's available, it means low costs for the company and the ability to charge higher prices since it's the best wireless and wireline you can buy.

In the meantime, it's not as if this company is suffering, or at least it's pretty much on par with other telecoms like Rogers. Its last results posted in at $5.79 billion in revenue, operating income of $1.4 billion, and diluted EPS of $0.78.

As I mentioned, its dividend yield is certainly higher at 5.29%, and its share price is edging in on Rogers's territory, trading at $61.38 at the time of writing. The only problem is we don't see that steady rise as we did with Rogers. The company has had a few dips in the last five years, most recently with the markets back in December. But there is still overall growth in that share price, with the stock increasing by 27% in the last five years, making a $5,000 worth $6,270 today. And analysts also predict even more growth for this stock to perhaps even $70 per share in the next 12 months.

And the winner is…

It depends on what you're looking for, but if I'm choosing one stock to buy and hold for decades, it's going to continue to be Rogers. This company has a long history of steady performance, and I don't see that going anywhere. Sure, fibre-to-the-home is great, and BCE is definitely still a great buy to see some huge growth in the next few years. In fact, it's still a great buy-and-hold investment as well. But Rogers will eventually catch up, and it has the assets and cash in hand to continue to be the best in the industry.

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