



5 Reasons to Buy TELUS (TSX:T)

Description

Choosing the best major wireless carrier as a customer is different from choosing the best telecom company as an investor. However, the telecom of choice by customers is a major consideration by investors.

TELUS ([TSX:T](#))([NYSE:TU](#)) leads the sector with the speediest, largest, and most reliable network. TELUS is one of the top 30 Canadian [blue-chip stocks](#). For purposes of validation, here are the five reasons to buy shares of the eminent telecom company.

Strong financial standing

Without a doubt, TELUS is financially sound with a strong balance sheet and carries an investment-grade rating. Obtaining or securing funding in the capital markets for expansion purposes and other noteworthy projects won't be a problem.

Both the top line and bottom line are increasing. In 2018, adjusted EBITDA grew by 4.9% from \$5 billion to \$5.3 billion. Operating revenues rose from \$13.4 billion to \$14.4 billion, or a 7.2% increase. The profit margin stands at 11.47%. The company expects to grow by 4.6% this year and 6.4% next year.

Basic EPS in 2018 rose by 1.9%. As of December 31, 2018, the total assets are \$33.1 billion and free cash flow is almost \$1.2 billion. The financial profile of TELUS is impressive. This year, the company expects total revenue to grow by 3-5%. Forecasts for adjusted EBITDA (8-10%) and basic EPS (2-10%) are higher as well.

Robust shareholder returns

TELUS is delivering on the promise of [robust returns](#) to shareholders. The telecom's multi-year dividend-growth model has returned more than \$1.2 billion to shareholders in 2018. The current dividend yield is 4.4% with a projected capital gain of 26% on or before the conclusion of 2019.

A blue-chip company always recognizes potential threats that could disrupt operations. TELUS hasn't failed to fulfill the obligations to customers, the community, and shareholders. The company is totally committed to all stakeholders through a sustainable business continuity management program.

Proven growth strategy

The telecom powerhouse has earned a competitive position through the years and the customer base continues to grow. Total subscriber connections in 2018 climbed by 2.9% to 13.4 million. TELUS's customer growth is driving profitable revenue. Customer retention is high because of the company's operational efficiency.

Leading the way in technology

TELUS has already spent \$175 billion since 2000 for investments in technology. The company is proactive in enhancing the existing world-class broadband networks to deliver exceptional customer experience.

TELUS Health is slowly pressing forward with the end view of becoming the leading provider of healthcare technology solutions. Meanwhile, TELUS International is tasked to improve clients' business processes by providing next-gen digital solutions.

Greater social purpose

TELUS is championing the cause of social capitalism. Beyond the financial resources, operations, and customer connections, TELUS is playing a vital role in uplifting the social, economic, and health outcomes of Canadians. A profitable company imbued with a passionate social purpose is a high-quality investment.

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