



\$10,000 Invested in Telus (TSX:T) 10 Years Ago Would Be Worth This Much Today

Description

If you're looking to [invest for the long term and earn income](#), **Telus (TSX:T)(NYSE:TU)** is a great choice. The stock is well loved by dividend hunters. It's not the highest-paying dividend stock on the TSX, but it could be your [second stream of income](#) for years.

Aside from the decent 4.7% dividend yield, investors pick Telus as a core holding because the stock is recession-free. But the real takeaway is that Telus is Canada's second-largest telecom provider operating in a monopolized industry.

Formidable telecom

While new entrants or industry players can provide competition to lower costs, the monopoly of the telecom giants isn't likely to end soon. But Telus is ready to face competition.

This \$28.4 billion telecom giant is gaining significant market share because of exemplary customer service and broadband network leadership. In the recent Q2 2019 earnings report, the data on new customer additions is impressive. Telus showed robust subscriber growth of 186,000 new customers (+33%).

There were 154,000 new wireless customers (+45%) and 82,000 new mobile phone additions (+19%) plus 72,000 mobile connected device additions. Likewise, Telus is showing striking customer numbers in its industry-leading wireline, internet, and TELUS TV business segments.

For the quarter, Telus's net income increased by 31% or \$520 million over the same period a year ago because of EBITDA growth and lower income taxes.

5G is coming

The 5G network is coming to Canada. Telus will have several opportunities to boost its existing

sources of revenue. The highly anticipated network will allow the company to create an entirely new revenue stream.

Expect Telus to be at the forefront of the large-scale roll-out of 5G technologies. The shifting customer preferences and the changing market conditions will open new doors of business opportunity.

Canada's telecom will be more exciting once 5G is available. There will be revenue in the fixed broadband market plus more business-to-business (B2B) opportunities, particularly in the Internet of Things (IoT).

Historical earnings

Let's look now at how much a \$10,000 investment in Telus 10 years ago is worth today. After a decade, the said investment delivered a 331.80% total return, or an average annual total return of 15.75%, including reinvestment of dividends. In terms of absolute value, the \$10,000 investment is worth \$43,190.08 today.

The computation is a snapshot of the potential earnings from the stock within a 10-year investment period. Darren Entwistle, Telus's president and CEO, said the company will continue to build on its track record of providing investors with the industry's best multi-year dividend-growth program.

The target is an annual dividend growth between 7% and 10% through 2022. Telus is expecting strong cash flow generation and growth from now to that period. Telus has returned over \$17 billion to shareholders since 2004, which is \$28 per share.

Buy Telus

Telus is worthy of your consideration. The stock is a dividend play, and the company is working to grow its yield. If you find the stock expensive today, wait until 5G is ushered in.

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