BCE (TSX:BCE) Reported Earnings This Week, but That's Not the Biggest Thing That Happened to it

Description

It was announced earlier this week that Warner Media, a division of **AT&T,** would launch its HBO Max streaming service in May 2020. Although many other companies have already announced and launched their own respective streaming services, the HBO one may be the most highly anticipated.

HBO has been known to have some of the best TV shows over the years, and a subscription to its services is highly coveted. This could be huge for **BCE** (TSX:BCE)(NYSE:BCE), as it was announced that it would get the streaming rights in Canada.

This is just one of many new positive developments for BCE that should only add to its growth potential.

Its streaming service, Crave, is already one of the best in Canada, and now with the addition of HBO's top content, it could make a serious push at challenging **Netflix,** which has roughly 6.8 million subscribers in Canada, for being the top streaming service in the country.

BCE is also interested in acquiring as much content as possible, and while it already has a tonne of top shows, it continues to try and acquire more, especially in this new age of digital media.

The deal with HBO only helps BCE to achieve that, giving it access to a number of top HBO shows.

All in all, the work it's done has been impressive and helped it to grow its earnings before interest, taxes, depreciation, and amortization (EBITDA) by more than 20% year over year, and that was just in the media segment.

Of course, all of its segments are interconnected, and strength in one segment helps to drive customer growth in other segments.

Still though, its other segments, Bell Mobility and Bell Wireline, are both thriving.

Bell Mobility has been under the watchful eye of investors as the entire wireless cell phone business in Canada has come under pressure.

It once again showed its strength, however, managing to generate third-quarter EBITDA of slightly more than $1 billion — an increase of roughly 8% from the quarter the prior year.

Bell Mobility also managed to add more than 125,000 new post-paid subscribers in the quarter and kept its churn rate extremely low at just 1.1%.

The company handled the addition of these new customers well; consider that its average billing per user (ABPU) actually grew by roughly 1% year over year, when the entire sector has been feeling the pressure.

With increased competition driving down the cost of phone plans across the country, Bell Mobility has been much more resilient in keeping its ABPU strong.

This makes the growth in its ABPU even more impressive, especially when many of its competitors are struggling to maintain the same levels.

Bell Wireline also reported a solid third quarter, it generated segment EBITDA of roughly $1.36 billion, which equated to year-over-year growth of roughly 1.4%. The main thing that's noticeable looking at the Bell Wireline is the continued build-out of BCE's infrastructure.

BCE is easily spending the most money to invest in its Bell Wireline business to continue to build its fibre network.

A strong and large fibre network with tonnes of reach will be crucial to companies in the coming years, as we approach the 5G era, which will bring tonnes of new possibilities for the Internet of Things.

BCE's stability and operational expertise is clear when looking at its business, and it's no wonder why it may be the best buy-and-hold stock in Canada.

It has been a solid week and solid quarter for BCE, reporting strong earnings as usual and announcing a huge deal for its Bell Media segment. The company continues to be a top buy for any long-term investor, especially those that need exposure to the telecom sector. It also pays out its incredible dividend, which is currently yielding a little over 5%.

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