
2 Large-Cap TSX Stocks With Safe Dividend Yields

### Description

The shift to 5G was supposed to be the next big thing for telcos. Telecom companies are betting big on it, and they had a solid rollout plan. However, with Canadians sitting at home thanks to the pandemic-induced lockdown, these plans went on a slow burn.



5G stocks took a hit on the stock market but have reported better-than-expected results for the third quarter, and there's a lot of clarity on their future now. Here's a quick look at two companies that are excellent dividend payers and have a strong handle on their businesses, too.

## Telus has a forward yield of 5.1%

**Telus** (TSX:T)(NYSE:TU) added 277,000 subscribers in Q3 and increased revenue by 7.7% to $4 billion. However, EBITDA (earnings before interest, tax, depreciation, and amortization) declined by 3.1% to $1.4 billion.

Telus currently sports a forward yield of 5.1%, and the company reinstated its multi-year dividend-growth program. It's in its 10th year, and Telus is targeting an annual dividend growth of between 7% and 10% through 2022.

The pandemic has directly benefitted the company's internet business, as more people are staying at home. Internet connections are up 7.2% in the last 12 months to almost 2.1 million customers, while its TV subscriber base has grown by 4.4% and to 1.2 million. Comparatively, its security customer base expanded to 684,000.

The company's mobile phone base has grown at a slower rate, both due to the high base rate and the fact that phone usage has dropped significantly thanks to the pandemic. While Telus's wireless subscriber base has grown to 10.6 million and is up 4.9% over the last 12 months, its mobile phone subscribers have grown only 2.3% to 8.9 million while its mobile-connected devices subscriber base has grown 20.3% to over 1.7 million.

Telus acquired Lionbridge AI for $1.2 billion in November. Lionbridge is a provider of crowd-based training data and annotation platform solutions used in the development of AI algorithms to power machine learning. This is a very smart play, as the company moves to expand beyond its phone and internet businesses.

## BCE is a Dividend Aristocrat

**BCE** (TSX:BCE)(NYSE:BCE) is trading at $55.75 and has a very attractive dividend payout of 6%. The company's third-quarter figures saw it achieve over $1 billion of cash flow. It ended Q3 with $5.2 billion in liquidity, and this doesn't include approximately $940 million in cash that it received from the sale of Bell data centres to **Equinix**.

BCE owns over 30 TV and radio stations, and this vertical has borne the brunt of the pandemic, as media advertising reduced. Q3 revenues for BCE decreased by 2.6% to $5.7 billion compared to $5.9 billion in Q3 of 2019.

The company added 128,168 total wireless postpaid and prepaid net customers. It also added 81,696 net retail Internet and IPTV customers to its wireline broadband subscribers. Internet revenue grew by 10%. BCE claims to have Canada's fastest 5G network, and it has been rolling out its service this year. Expect the company to derive massive benefits from this once the pandemic subsides and people start going out again.

As Fellow Fool Andrew Walker told us in the last week of October, BCE is a strong company with solid fundamentals and can move up by 20% by the end of 2021.



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araghunath