



## Forget Apple: Buy These Top 5G Stocks Today

### Description

**Apple** has attracted significant attention, as it aims to claim the 5G crown in the smartphone space. Its stock has proven to be one of the most dependable in the technology space in recent years. However, Canadians should look elsewhere for exposure to 5G on the TSX. Today, I want to look at two top companies that are making strides in 5G development.

### This top Canadian telecom is investing big in 5G

**BCE** ([TSX:BCE](#))([NYSE:BCE](#)) is one of the largest telecommunications companies in the country. Its shares have dropped 8.2% year over year as of early afternoon trading on February 9. The stock has climbed 2% to start 2021. Several [Canadian telecoms](#) have jumped into the 5G space in recent years. BCE is well worth your attention if you are seeking exposure today.

In the first week of February, BCE announced that it would rapidly expand its fibre and wireless networks across Canada. It will invest \$1 billion to \$1.2 billion in capital expenditures over the next two years. BCE said that it plans to double its 5G coverage to reach roughly 50% of the Canadian population. It had launched just six locations in June 2020. **Nokia** and **Ericsson** are partnering with BCE in its efforts.

This top telecom released its fourth-quarter and full-year 2020 results on February 4. Adjusted earnings per share came in at \$0.81 — down 5.8% from the prior year. Meanwhile, adjusted EBITDA dropped 3.2% on lower revenue. BCE boasts a strong balance sheet, and it finished 2020 with over six million combined direct fibre and rural wireless home internet locations.

Shares of BCE last had a price-to-earnings (P/E) ratio of 22, which is better than the industry average. Moreover, this 5G-linked stock offers a quarterly dividend of \$0.875 per share. That represents a strong 6.3% yield.

### Here's another TSX stock to target in this space

**Telus** ([TSX:T](#))([NYSE:TU](#)) is another top Canadian telecom that has jumped into 5G development. In the article above, I'd discussed Telus's foray into this space. Its shares have climbed 4.3% year over year. However, it had attracted criticism from its previous Huawei relationship.

Canada's relationship with China has soured on the geopolitical stage since it arrested Huawei executive Meng Wanzhou in December 2019. The ongoing drama, which has also led to the arrests of Canadian nationals in China, has cast a shadow over any business dealings between the two countries. **BlackBerry** attracted [some criticism](#) for a minor patent transaction with Huawei earlier this year.

Similarly, Telus has been forced to play defence on its 5G collaboration with Huawei. In early February, the United States requested a probe of commercial relationships between Telus and Chinese telecom equipment makers as a review of a subsidiary's acquisition of an American AI and data annotation firm. Telus CEO Jeff Puritt called the move an "abuse of process." Regardless, Telus has stated that it is co-operating with the probe.

Telus has since moved on to other equipment suppliers to forward its 5G development. It has said that it will refrain from using Huawei gear for its 5G networks unless Ottawa allows it.

Shares of Telus last had a solid P/E ratio of 26. It offers a quarterly dividend of \$0.311 per share, representing a solid 4.5% yield.

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