



## 2 TSX Telecom Stocks to Buy in March

### Description

Canadian telecom stocks are recovering well post the COVID-19 market crash of 2020. The ongoing business recovery will gain momentum as coronavirus vaccination programs register success in North America, and this could be the best time to take positions in traditional defensive names before they reclaim their all-time highs.

Here are two well positioned **TSX** telecom stocks to buy in March.

### Buy Rodgers, the leading Canadian telecom stock

**Rogers Communications** ([TSX:RCI.B](#))([NYSE:RCI](#)) is the largest Canadian telecommunication services provider with over 10.9 million subscribers exit 2020. The company offers wireless communication, internet services, and cable television services.

Rogers is currently focused on expanding Canada's first and largest 5G network with connectivity reaching 170 cities and towns by month-end February 2020. Its network is ready to support future devices and chip sets that may come available in the near future. Anyone bullish about the 5G revolution would want to have a stake in the future proof network provider.

The company's expanding high speed network will significantly contribute to rebuilding the Canadian economy in a post-COVID-19 world.

Fourth-quarter 2020 revenue of \$3.68 billion revenue showed a 7% year-over-year decline as limited global travel reduced roaming charge billings, customers delayed device upgrades during a tough year, and advertising spending remained softer. However, operating expenses decreased, adjusted EBITDA margins expanded by 450 basis points, and free cash flow generation improved last quarter.

Most noteworthy, the company's balance sheet strength and liquidity improved markedly during the fourth quarter of 2020. Available liquidity increased to \$5.7 billion, up from \$5.5 billion just three months prior. Cash and cash equivalents increased sequentially. Fourth-quarter free cash flow of \$568 million, was up 14% from the comparable quarter in 2019.

The company is well positioned for any near-term financial storms. A strong balance sheet, improving free cash flow and stable leverage makes this stock a promising value play among TSX dividend stocks today. [It's a typical Warren Buffett type](#) of investment.

The company pays a \$0.50 quarterly dividend yielding 3.8% annually.

## Buy BCE's 6% dividend yield

**BCE** ([TSX:BCE](#))(NYSE:BCE) offers wireless, wireline, internet, and television services to residential, business, and wholesale customers in Canada. BCE had 9.8 million subscribers in 2020. The company boasts of over six million combined direct fibre and rural wireless home internet locations, which it expects to grow by 15% this year.

The TSX telecom company's enhanced capital expenditure plan aims to double Canada's fastest 5G network's population coverage by next year. Revenue could continue to grow in 2021, even if COVID-19 remains a significant drawback for the business.

The big highlights in the telecom company's 2020 earnings released in February included a 29% surge in net income during the final quarter and a nearly full recovery in revenue run rates to prior coronavirus pandemic levels. Fourth-quarter revenue at \$6.1 billion was just 2.8% weaker than comparable operating results in 2019. However, BCE's stock price is yet to fully recover. It will.

Most noteworthy, BCE is an excellent TSX dividend stock. It has been a dividend aristocrat for over a decade now and maintained its payout despite COVID-19 induced accounting losses. The company increased its dividend at a compound annual rate of 5.1% over the past five years.

Income investors will love the 5.1% dividend increase announced for 2021. The company pays a \$0.875 per share quarterly dividend that yields 6.1% currently.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:RCI (Rogers Communications Inc.)
3. TSX:BCE (BCE Inc.)
4. TSX:RCI.B (Rogers Communications Inc.)

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