



This Telecom Stock Can Make You Rich

Description

Canada's telecoms are some of the best [defensive stocks to own](#). They all offer a stable and recurring revenue stream, multiple subscription options, and a handsome dividend. But which Canadian telecom stock can make you rich?

Let's try to answer that question by taking a look at **BCE** ([TSX:BCE](#))([NYSE:BCE](#)).

BCE is more than an investment

The first thing that prospective investors should take note of is that BCE is not just big — the company is huge. In addition to being the largest telecom in Canada with a wide range of subscription options, BCE boasts other segments. Those segments include a massive media arm that contains dozens of radio and TV stations as well as an interest in professional sports teams. In short, BCE blankets nearly all aspects of our daily lives, with an array of well-diversified revenue streams.

Across all of those segments, the one that holds the most promise, however, is BCE's wireless arm. Wireless devices continue to grow in importance. In a little over a decade, smartphones have gone from being "phones with some apps" to "lots of apps — even a phone app". Smartphones have replaced dozens, if not hundreds of standalone devices that we used to have. When was the last time you saw an alarm clock, calendar, or address book? They are all apps now. The same could be said for single-use cameras, video camcorders, and standalone music players. More recently, you could argue that larger screen smartphones are [eating into movie theatre revenue](#).

Those same advantages are now being seen in the home internet space as well.

Think of it this way — each of those smartphone apps performs a function that consumes data. BCE charges for that data, which feeds into its bottom line. BCE's home internet segment saw explosive growth in data consumption once the pandemic began. In fact, if we look back at the first quarterly update since the pandemic began last year, BCE reported internet data use grew at over 60%.

The initial necessity to work from home is now evolving into a hybrid remote workforce. In fact, many

companies are opting to keep their staff working remotely, even once the pandemic ends. BCE is a beneficiary to that shift as well, as the increased data-consumption rates we saw begin last year will morph into the new norm. Either way, BCE and, by extension, investors win.

BCE: This telecom stock can make you rich!

Apart from the growth opportunities above (which are forging into a new necessity), BCE also offers investors a very appetizing quarterly dividend. That dividend currently works out to a tasty 6.10% yield, making it one of the better yields on the market. If that weren't reason enough to buy BCE, prospective investors can take solace in the fact that BCE has been paying dividends for over a century. BCE has also provided annual or better bumps to that dividend going back over a decade.

In other words, BCE is a great long-term investment for both growth and income-seeking investors. To answer my earlier question, yes, this telecom stock can make you rich.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. TSX:BCE (BCE Inc.)

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