1 Cheap 5G Stock to Buy on the TSX Now

Description

While the COVID-19 pandemic caused significant uncertainty and brought about rapid change in how business is conducted, it also highlighted the resiliency and financial strength of **Shaw Communications** (TSX:SJR.B)(NYSE:SJR).

It also highlighted the critical nature of Shaw's highly capable facilities-based infrastructure, which exists today because of the company's long history of significant investments in Shaw's network for the benefit of Canadians and the country's economy.

As the pandemic intensified throughout 2020, Shaw's priority appears to have been the safety of the company's employees and customers and supporting the communities in which it serves.

The company quickly transitioned the majority of Shaw's employees to work from home, where employees remain productive, engaged, and focused on providing a continuous high-quality connectivity experience for Shaw's customers, even as data traffic and peak usage soared.

Responsible corporate citizen

As a responsible corporate citizen, Shaw took decisive action to provide additional free services, financial resources as well as devices and connectivity to the company's communities and those most impacted by the pandemic.

Shaw entered the crisis from a position of strength and the strategic plan that it had been executing over several years was key to the company's solid performance over this rapidly evolving and uncertain period.

Shaw's purpose appears to be to connect customers to the world through a best-in-class seamless connectivity experience. While managing through a global pandemic, Shaw also introduced new products and services for the company's customers by leveraging Shaw's converging wireline and wireless networks which are innovative, affordable, and stay ahead of customer expectations.

Scaling Shaw's wireless business

Despite a unique and challenging environment, Shaw's consistent focus on this strategy and continued significant capital investments in excess of $1 billion, supported year-over-year growth in the company's business and a nearly 40% increase in free cash flow, exceeding the company's financial commitments for the year.

Further, Shaw's efforts continue to focus on scaling the company's wireless business through driving an overall enhanced customer experience and delivering Canadians better value.

Fiscal 2020 saw the continued investments in vital areas such as spectrum deployment, foundational investments for the delivery of 5G services, further expansion of Shaw's retail presence and the exciting launch of Shaw Mobile, despite a challenging background.

Robust business strategy

The COVID-19 pandemic caused the temporary closure of the vast majority of Shaw's retail network, impacting wireless customer growth, resulting in approximately 160,000 new wireless customers in fiscal 2020.

However, it also showcased Shaw's strong operating leverage as it delayed new customer acquisition investments during a lower growth period. Wireless service revenue grew an impressive 17.4% to $815 million, a key factor supporting the company's improved wireless margin in the year.

In addition, Shaw's wireless strategy continues to focus on increasing the company's market share, particularly in western Canada with the addition of Shaw Mobile, and improving wireless profitability. The launch of Shaw Mobile on July 30, 2020, was a significant milestone that should fuel the next chapter of Shaw's wireless growth story.

Shaw Mobile provides Shaw internet customers with bundling opportunities to take advantage of unprecedented savings. This should serve customers and the company well.

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Date Created
2021/07/23
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