



Why BCE Stock Is the 5G Play Investors Have Been Looking for

Description

One of the biggest technological advancements forward in recent years has been the development of 5G technology. Indeed, the growing prevalence of 5G tech has improved most of our lives this past year. Given the impact the pandemic has had on our lives, faster and more stable internet connectivity can't be taken for granted.

Telecom players such as **BCE** ([TSX:BCE](#)) ([NYSE:BCE](#)) are leading the charge forward in bringing 5G to the masses. For investors betting on continued increased adoption of this tech as well as higher potential margins for 5G players, BCE looks like a safe bet.

Here are a couple reasons why BCE has been on my radar of late.

BCE stock higher on impressive results

Telecommunications companies are generally fundamentally valued. Accordingly, a series of strong earnings reports has the potential to really move the dial with these companies, relative to other high-growth stocks that already have much of this enthusiasm baked in.

Telecom players, such as BCE stock, are quite boring in nature. They provide essential services we need for our days to function well. However, they're not in a business that sees highly volatile moves. For defensive investors, this is a great thing.

However, BCE stock has been on the move of late. Currently, this move is almost entirely to the upside, with BCE stock now trading near its 52-week high today.

This is the result of some impressive results in recent [earnings](#) released. This past quarter, the company registered \$734 million in profit. That's massive. Additionally, that's on \$5.7 billion in revenue this past quarter.

[Revenue growth](#) was strong at 6.4%, on a year-over-year basis. And with most of the company's core segments seeing major strength, investors seem keen to buy into this long-term thesis. In particular,

the company's wireless segment saw nearly 45,000 new prepaid customers sign on, an impressive tally this past month.

Higher auction prices behind soaring prices of 5G airwaves

In addition to impressive earnings numbers, another reason I like BCE is the company's rather large moat. As the largest telecom player in Canada, BCE benefits from what many are viewing as a negative for 5G players.

Soaring auction prices of 5G spectrum have led to a widening gap among the haves and have-nots in the wireless space. BCE is generally perceived to be the company with the biggest war chest to go out and buy more spectrum. For those looking for the company with the fastest and best network, BCE stock takes number one spot right now.

Bell, a subsidiary of BCE, recently snagged 271 airwaves licences for \$2.07 billion during this last round of spectrum auction. This purchase sets up the company well for long-term earnings growth.

Bottom line

BCE comes with everything that an investor is looking for in a 5G play. It provides high yield, reliability, cash flow stability and massive growth potential. Long-term investors seeking a defensive, stable, growth stock should certainly give BCE stock a look.

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