3 Canadian Dividend Stocks to Watch This Earnings Season

Description

Earnings season is upon us, and one sector is bound for some solid downstream activity for Motley Fool investors. Dividend stocks in the telecom sector are likely to finally see a recovery underway, according to analysts.

The Canadian telecom sector looks to be quite attractive. Growth should come through the recovery during the second half of 2021 and moving into 2022. The sector remained down during the pandemic, and even underperformed as the rest of the market recovered. Now, more robust earnings should come in from "healthy" wireless activity.

The wireless market is expanding, and fewer COVID-19 restrictions are leading to retail stores opening along with pent-up demand. In fact, analysts believe there will be a few surprises from these dividend stocks within earnings. So let's see what the top three have to offer.

TELUS

TELUS (TSX:T)(NYSE:TU) is a top choice with multiple areas of its performance likely to do well. Analysts have dubbed it the top pick due to the potential upside over the next few years. This comes from the fiber-to-the-home coverage that is far ahead of peers. This allows the company to achieve 5G growth opportunities.

Analysts believe TELUS stock should outperform during the next earnings report. Last quarter, TELUS stock saw a 10.3% increase in year over year operating revenue, with adjusted EBITDA up 9.5% year over year. Furthermore, analysts believe it has a potential upside of 9% as of writing.

TELUS is one of the top dividend stocks in this area, with a 4.54% dividend yield that's risen at a compound annual growth rate of 9% in the last decade.

Rogers

Next up, we have **Rogers Communications** (TSX:RCI.B)(NYSE:RCI). While it's one of the dividend stocks that remains a solid stock to outperform, analysts believe some patience is required. The main benefit here is the share price, which is incredibly cheap considering its long-term potential, especially as it looks to potentially acquire further growth opportunities.

Rogers stock is also rolling out 5G, but revenue still has to play catch-up. During its last earnings report, Rogers stock reported a total revenue increase of 14% year over year and adjusted EBITDA up 6% year over year. The company aims to reach 70% of the Canadian population through its 5G service by next year, though TELUS expects to be at 90% by then.

Rogers is another of the dividend stocks with a solid yield at 3.3%, rising by a compound annual growth rate of 4.56% over the last decade. Further, it has a potential upside of 19%, according to analysts.

BCE

Finally, **BCE** (TSX:BCE)(NYSE:BCE) may not be the largest media organization, nor the top at 5G rollout, but it does benefit from having the largest share of the market. It remains a top competitor, and long-term will likely be the largest benefactor when 5G rolls out and fibre-to-the-home. All of these faster products coupled with cost efficiencies make it one of the top dividend stocks out there.

During that time, there is likely to be continued dividend growth for BCE stock investors. Operating revenue increased 6.4% year over year during the last quarter, and adjusted EBITDA up 6.2%, but net earnings soared upward by 149.7%, showing a pandemic recovery.

BCE stock is one of the top dividend stocks out there offering a yield of 5.5% with a compound annual growth rate of 6.43% in the last decade. But we'll have to wait on earnings surprises, as analysts believe it's fairly valued at the moment. For now.

CATEGORY

1. Coronavirus
2. Investing

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:RCI (Rogers Communications Inc.)
3. NYSE:TU (TELUS)
4. TSX:BCE (BCE Inc.)
5. TSX:RCI.B (Rogers Communications Inc.)
6. TSX:T (TELUS)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn

4. Newscred
5. Quote Media
6. Sharewise
7. Smart News

PP NOTIFY USER

1. alegatewolfe
2. arosenberg

Category

1. Coronavirus
2. Investing

Date
2025/06/28
Date Created
2021/10/20
Author
alegatewolfe