



BCE Earnings: What to Watch on Thursday

Description

On Thursday, November 4, before the market opens, **BCE** ([TSX:BCE](#))([NYSE:BCE](#)), Canada's largest telecom stock, will report earnings for its third quarter of 2021.

Although it wasn't impacted very significantly by the pandemic, the stock had traded mostly rangebound until earlier this year, when it finally started to recover. Investors will be keen to see what developments the company has made and how well it continues to recover from the pandemic.

So far, year to date, the stock has already earned investors a total return of more than 20%. However, even with that strong performance, BCE still trades at a reasonable valuation today and even offers an attractive dividend. With that in mind, here are the most important things to watch when BCE reports earnings this Thursday.

BCE's key numbers to watch when it reports earnings

As always, some of the most important things to watch will be the financials that BCE reports. Investors will want to see more impressive growth in its revenue and earnings before interest, taxes, depreciation, and amortization ([EBITDA](#)). In addition, it will be crucial to look for where the revenue is coming from and how well each segment is recovering and expanding operations.

The consensus estimates are \$1.3 billion in EBITDA from BCE's wireline segment, \$1.0 billion from Bell mobility, and \$200 million from Bell Media. In total, the consensus estimates for consolidated EBITDA is expected to be more than \$2.5 billion. Furthermore, BCE's earnings per share from continuing operations are expected at \$0.83 for the quarter.

Investors of telecom stocks also want to know key performance indicators such as how many new wireless customers the business added in the quarter? Furthermore, investors also want to know the [average revenue per user](#) (ARPU).

The expectation from analysts is that BCE will report a higher ARPU at \$59.33. That would be up from \$57.31 last quarter and \$58.06 in the third quarter of last year.

Meanwhile, analysts estimate that total mobile phone subscriptions will jump by 2.5%, with 125,000 net new postpaid subscriptions in the quarter.

What's the company's guidance look like?

In addition to the numbers BCE reports from its operations in the earnings report, investors will want an update on the company's outlook going forward. Investors want an idea of expectations. For example, how well does management expect each segment to grow over the next year as we continue to emerge from the pandemic?

And with several growth initiatives ongoing, such as the major build-out of fibre-to-the-home, as well as the installation of [5G technology](#) across the country, forward guidance could be one of the biggest factors in how the stock reacts to earnings.

Any news, especially on the 5G rollout that can provide investors with more certainty about the potential for profitability going forward, will be ideal.

BCE is the largest telecom stock in Canada and an excellent investment to own long term for income and safety. So, if you own the stock or are interested in adding this top Canadian company to your portfolio, I'd keep an eye on it over the next week as it reports earnings.

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