Is Rogers Stock a Buy in This Uncertain Market?

Description

Telecoms tend to be excellent long-term investments; it's seen as an economically important sector, particularly following the onset of the pandemic. With remote work and 5G adoption picking up, there's a lot to like about this space. Thus, I think investors in **Rogers Communications** (TSX:RCI.B)(NYSE:RCI) stock may want to consider Rogers's stability as key to holding or adding to their position right now.

Let's dive into the bull case as to why Rogers stock could be a great buy amid this market uncertainty.

Strong Q4 report creates certainty

Rogers Communications announced its Q4 results a few days back, which was generally in line with expectations. As expected, the company's wireless and media division fueled top-line revenue growth. This was the first round of earnings that this telecommunications behemoth posted since its former CFO, Tony Staffieri, took reins as chief executive in November.

However, Rogers Communications did see its quarterly net income drop 10% on this report to $405 million. Most of this drop was due to $39 million in restructuring costs during the quarter. However, with all the family-related turmoil seemingly behind this company, I think company's future earnings should look a lot better.

On an adjusted basis, Rogers brought in $0.96 in earnings per share, and $1.52 billion in EBITDA. Revenue rose 6%, and by all accounts, the company had a strong quarter. These numbers beat analyst estimates, providing certainty to investors who may have been worried about growth, particularly in the company's wireless segment.

Indeed, wireless services was the key driver behind Rogers's revenue surge this past quarter. The company's management team suggests that moving forward, wireless is likely to continue to provide the growth the company needs.

An attractive entry point for Rogers stock

The bottom line with Rogers stock is that this has been a difficult one to assess this year. Internal turmoil provided uncertainty, as have regulatory concerns over the company's big upcoming acquisition.

However, Rogers is a big dog in the Canadian telecommunications and sports scene. Those looking for long-term growth may want to consider this behemoth. Those looking for income may like the company's bond-like 3.1% yield.

Investors may not have noticed, but most stocks in the market are well off their 52-week highs. Rogers stock, however, remains elevated relative to its TSX peers. That's for good reason.

Companies with impressive cash flow generation, strong growth prospects, and those that pay a dividend are being rewarded right now. Accordingly, I think more capital is likely to flow into companies like Rogers. This is a stock I think should be on every investor's radar right now.

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