



Buy This Established Dividend Stock for Long-Term Gains

Description

If there was one word to describe the market in 2022, it would be *volatile*. Global supply issues, the conflict in Ukraine, and the lingering pandemic have all wreaked havoc on the market. Fortunately, long-term investors can look to an established dividend stock to counter that [volatility](#).

This is the stock you want in your portfolio

That established dividend stock to buy is **BCE** ([TSX:BCE](#))([NYSE:BCE](#)). For those that are unfamiliar with the stock, BCE is one of the largest telecoms in Canada.

BCE provides coast-to-coast subscription-based services across multiple segments. Specifically, that includes wireless, wired, internet, and TV segments. In addition to the subscription-based offerings, BCE also boasts a massive media segment that encompasses dozens of radio and TV stations.

BCE's huge multi-segment operation makes it a great investment option. In the most recent quarter, BCE reported net earnings of \$934 million. This represents an incredible 36% improvement over the same period last year when the pandemic weighed heavily on results. Speaking of the pandemic, the most recent quarterly update was the first quarter that results surpassed pre-pandemic levels.

In other words, BCE is back on track towards growth.

There is also significant long-term potential from that growth. The importance of home internet and fast wireless connection has only grown since the pandemic began. Specifically, there are more of us now working and studying remotely. This elevates those services into the realm of necessity, making BCE an even more defensive option to consider.

Worth noting is that BCE continues to invest in growing those necessary services. The company continues to roll out its [5G network](#) to wireless subscribers. BCE also recently touted its three-gigabit per second symmetrical internet service that is rolling out.

The new service is three times faster than the existing cable service and is already available in most

areas of Toronto. This is outside of BCE's fibre internet service, which continues to be rolled out to new markets.

The established dividend stock that pays handsomely

One of the main reasons why investors continue to flock to BCE is for the company's mouth-watering dividend. Specifically, BCE has been paying out dividends to investors for well over a century without fail. The company has also provided a generous annual bump of at least 5% to that dividend for well over a decade, making it one of the most established dividend stock picks on the market.

The most recent annual uptick was announced earlier this year, which brought the annual payout to \$3.68 per share. In terms of a yield, the 5.75% on offer represents one of the best-paying yields on the market.

Despite that high yield, investors should note that BCE's payout remains pegged to between 65-75% of free cash flow. This leaves plenty of room for both growth initiatives as well as future increases.

Factoring in BCE's defensive appeal and its established payout history, prospective investors should see BCE as one of the must-have investments for any well-diversified portfolio.

Finally, prospective investors should keep in mind that reinvesting those dividends until needed is a great way to grow your portfolio.

In other words, buy it, hold it, and let those dividends grow.

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Author

dafxentiou

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